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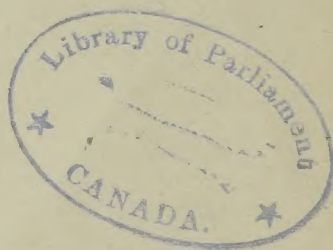
TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

DREDGING IN MIDLAND, TIFFIN AND VICTORIA HARBOURS

No. 1—JANUARY 22, 1913



OTTAWA

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1913

HOUSE OF COMMONS,

Room No. 100,

WEDNESDAY, January 22, 1913.

The Select Standing Committee on Public Accounts met at 10.30 o'clock a.m., the Chairman, Mr. Middlebro, presiding.

The committee proceeded to the consideration of a payment of \$255,509.41 in connection with dredging at Tiffin, Ontario, and Victoria harbour, Ontario, as set out at page V—36 of Report of Auditor General for year ending March 31, 1912.

The CHAIRMAN.—A witness had been subpoenaed for this morning, but I understand a telegram has been received stating that he cannot attend. I would ask the clerk to read that telegram.

The CLERK.—(Reads):

‘TORONTO, ONT., January 20,

‘F. W. Grant, of Midland, underwent operation at hospital here to-day, and therefore cannot attend on Wednesday.

‘(Signed) W. P. ST. CHARLES, M.D.’

The CHAIRMAN.—There is another witness here, so that the investigation need not be delayed. I understand that Mr. H. A. Stewart is appearing on behalf of the prosecution, and Mr. R. A. Pringle for the company concerned in this matter.

Hon. Mr. PUGSLEY.—Before adopting the unusual course of having counsel, may I ask whom this gentleman (Mr. Stewart) represents?

Mr. STEWART.—I am to conduct the investigation.

Hon. Mr. PUGSLEY.—I asked whom do you represent? The Minister of Public Works, I suppose. Now, before taking out of the hands of the committee virtually the power which it has always exercised, of thoroughly investigating a charge made against any person, or officers of a department, we ought to be informed of the reasons for this very extraordinary departure from what has been the usual procedure in the past.

The CHAIRMAN.—A motion was passed by this committee in the usual way that all papers in connection with certain items in the Auditor General's Report be produced and investigated. I understand that with the permission of the committee Mr. Stewart is here to conduct the investigation.

Mr. PARDEE.—Is it to be understood that whenever an investigation is wanted, counsel can appear for the Public Works Department? Is it to be taken as a precedent that an investigation is to be taken out of the hands of the committee and outside counsel employed?

The CHAIRMAN.—I am afraid we cannot argue that here. If it is the pleasure of the committee that this gentleman assist the Minister of Public Works—

Mr. PARDEE.—That matter is to be argued. What I am arguing is that the procedure proposed to be followed here takes the handling of the case out of the hands of the committee and places it in the hands of outside counsel. Now, is it to be considered a precedent that when it is proposed to investigate a case here the conduct of that case should be handed over the counsel employed by the government, or left in the hands of the committee?

The CHAIRMAN.—The committee are handling the case now, it is in their hands.

Mr. PARDEE.—Not at all.

The CHAIRMAN.—Yes, it is. The committee can say now whether they shall have the assistance of counsel or not.

Mr. PARDEE.—I merely wanted to know whether it is proposed to establish this precedent, because it has never been done before; the committee have never handed over the conduct of the case to outside counsel.

The CHAIRMAN.—Outside counsel are being employed in the present case by both sides, and that seems to be a fair idea.

Mr. PARDEE.—But one counsel is employed at the expense of the government, and the other counsel has been engaged by private parties. The engagement of the latter is a purely private matter. You see, therefore, there is no similarity in the positions of the two counsel. In this case certain papers have been moved for and have been brought down by the Public Works Department. It is now proposed to let the control of the case pass out of the hands of the committee into those of outside counsel. Is it to be deemed a precedent that whenever anybody so desires, outside counsel are to be employed, at the expense of the government, to take charge of these investigations?

The CHAIRMAN.—I am not going to give an opinion one way or the other.

Mr. PARDEE.—Still there is the question of this gentleman being employed at the expense of the Government to assist in this investigation.

The CHAIRMAN.—I do not know anything about this investigation. I am simply here as Chairman and this gentleman appears before me as representing the Department.

Mr. PARDEE.—You must know the inwardness of it. Is the gentleman, Mr. Stewart, being employed by the Minister of Public Works?

The CHAIRMAN.—I do not know whether he is or not. I have only spoken to him once. I do not know how he came to be employed. Mr. Bennett can probably explain that.

Mr. PARDEE.—You are the Chairman, can you not explain to us why this gentleman was employed?

The CHAIRMAN.—I do not know, I had nothing at all to do with it in any shape or form.

Mr. PARDEE.—I think the committee is entitled to some information upon it because it is a departure from the usual practice of the committee in an important respect and established a precedent.

The CHAIRMAN.—All that I can say is that I know nothing about the employment of this gentleman in any manner, shape or form. I had nothing to do with it. I did not know he was employed; I understand he was employed at the suggestion of Mr. Bennett, it was he who made the motion to have these papers produced. This gentleman appears here this morning and asks permission of the committee to be allowed to speak in the usual way and Mr. Pringle asks to be allowed to speak on behalf of the other side.

Mr. CARVELL.—It seems to me that this is a question of privilege which ought to be discussed fairly before we get through with it. Personally I have no objection to either of these gentlemen. As far as Mr. Pringle is concerned he is an ex-member of this House, a gentleman in whom I have great confidence. We know that in the Railway Committee it has been the custom to allow the solicitors to appear because there we are making legislation, and the solicitors are able to give some information as to the local conditions and the reasons why the Bills should become law. That is not the case here. We are called here to investigate a matter of business which has taken place for the Government or some department of it. I have been in this House for some years now and I never saw the time when an investigation was coming on that men like the hon. member for Simcoe, my old friend from Hamilton, my friend from King's and Albert, or my friend from York were not always, one or the other of them here, and they appeared to be well able to get at the bottom of any business transaction that came up at any time, and, from the standpoint of the Government that we were supporting, I always felt we could give all the protection they were reasonably entitled to. I presume there are gentlemen in this House, on both sides, who are able to investigate any contracts or expenditures that may come before this

committee. Therefore it seems to me that it is a wrong principle to allow paid counsel to come here to represent either one side or the other, and I think it is only fair to have a decision upon the matter, because we know that, once a precedent is created, it stands for the direction of this committee in the future. Of course we do not know, if it is now created, we may be the next to take advantage of it, but this is a matter of principle which I think this committee should decide; if the majority of the committee decides that counsel are to come in here and take the investigation out of the hands of the members of this committee, it will create a precedent which will be used hereafter.

Mr. BENNETT.—I am not surprised to see Mr. Pugsley object to counsel being heard here, I can at once, and very frankly, say that these gentlemen, having stated to the country and in the newspapers that they dared investigation into their administration, now at the very first sound of it set up a whine——

Hon. Mr. PUGSLEY.—Mr. Chairman, I object to the decidedly improper and unparliamentary language of the hon. member for Simcoe. The hon. member must recognize that the duty rests upon him to be a gentleman in this committee.

Mr. BENNETT.—I am not surprised that these gentlemen object to counsel coming in and whine at it.

Hon. Mr. PUGSLEY.—I submit, Mr. Chairman, that it is not conducive to the proper conduct of the business of this committee if hon. gentlemen come here and without provocation make use of insulting remarks as the hon. member for Simcoe has.

Mr. BENNETT.—If I have made use of an improper expression I withdraw it.

The CHAIRMAN.—I think we had better start the business of the committee by observing the rules which govern our proceedings.

Mr. BENNETT.—I withdraw the word 'whine.' Apparently these gentlemen do not want to see put in practice here what was done by Sir John Thompson in the McGreevy case. Probably the hon. member for St. John remembers well that when colossal frauds were alleged in Quebec, Sir John Thompson appointed counsel here to investigate everything from bottom to top. It is none of my business as a member of Parliament to sit up all night in order to investigate \$20,000,000 worth of fraudulent dealings in connection with this question; I am not going to do it, but I am going to see that it is investigated; and when the Minister of Public Works does what Sir John Thompson did I am going to back him up, and he will be backed up by the people of this country. I am surprised that the hon. member for St. John after daring the public to go into his department should object at the very first step that is taken towards making an investigation. Any member of this committee can ask questions at any time, either whilst Mr. Stewart is examining the witness or afterwards. Did not these very gentlemen ask last year that Mr. Pringle be heard on behalf of these very same people on the ice-breaking deals?

Mr. PARDEE.—The company employed him in that case.

Mr. BENNETT.—Certainly, and the company is employing him now; I have no objection to him personally, but I am going to back up the Minister of Public Works in going to the bottom of every alleged fraud as Sir John Thompson did, and the public will back him up in the expenditure of any money that is necessary for that purpose. If what I think is the case, the money spent on counsel will be more than recouped by this dredging company before this thing is over.

Hon. Mr. PUGSLEY.—Mr. Bennett has made references to myself and to my statement regarding my Department, and suggests that apparently I am afraid of investigation. Let me assure Mr. Bennett and the members of the committee that I have no objection whatever to any proper investigation into the department over which I presided while I was minister. I have no objection whatever, but there is a proper way, Mr. Chairman, to do those things, and there is an improper way. Mr. Bennett says he knows there has been fraud in connection with dredging, and the department's expenditure of some \$20,000,000. Now, if he knows that, he has a duty to

discharge to the people of this country, and that is to make his charge in the House of Commons, from his seat in the House, make it as a member of the House, and upon his responsibility as a member. Then the House, I have no doubt, will take the necessary steps to have his charge investigated. That was what was done in the case of the McGreevy scandal to which Mr. Bennett refers.

Mr. BENNETT.—And it went to a committee.

Hon. Mr. PUGSLEY.—But the charge was made in the House, by a member, upon his responsibility as a member of the House; that member had the courage to make the charge, he did not insinuate, he did not go about making statements or what he knew and what he would prove if he had the chance, but he had the courage to make the charge in the House of Commons on his responsibility as a member; that is what happened, and it is quite different from the proposal before this committee which is, as I have said, an entirely different practice to that which was followed on the occasion to which Mr. Bennett refers. The charge, in that case, was made by a member in the House of Commons, the people who were accused knew what they were accused of, and the matter was very properly referred to a committee, and then the government appointed counsel to take charge of the matter. What the committee is asked to do to-day is to adopt an unusual course, and upon what ground? Absolutely upon no ground whatever; there is no charge made in the House, there is no charge made by the Minister of Public Works; the Minister of Public Works has not stated any reason why he desires the committee to adopt this unusual course. As Mr. Carvell says, if we to-day, without the slightest ground being submitted why we should adopt this unusual course, allow this precedent to be established can it not be done again to-morrow, and will not the practical result be to take the investigation into these matters out of the hands of the members of the committee, whose duty it is to inquire into them, and put it in the hands of counsel?

Mr. BENNETT.—Does the hon. member imagine, as a member of this committee, that after Mr. Stewart and Mr. Pringle have asked question of the witness, he will be debarred from asking whatever questions he desires?

Hon. Mr. PUGSLEY.—That is not the point.

Mr. BENNETT.—Does the hon. member think he will?

Hon. Mr. PUGSLEY.—Not at all.

Mr. BENNETT.—Then you are not divested of your rights as a member of the committee.

Hon. Mr. PUGSLEY.—No, the question is this: if counsel be employed it necessarily takes the matter out of the hands of the committee, because the counsel is given charge of the papers, and he carries on the investigation. Now, has the Minister of Public Works informed the committee why he desires this unusual course to be taken? It is due to the committee to ascertain the reason for it. If the Minister of Public Works comes before this committee or sends a written communication stating that he has reason to believe that there was any fraud committed in connection with any contract that is properly under investigation, I think the committee ought to act upon that request of the Minister of Public Works and allow him to be represented by counsel. But the Minister of Public Works has said nothing of the kind. He, in effect, says: Mr. Bennett, who is of an inquiring mind, wants to go upon a fishing expedition. Mr. Bennett cannot sit up late at nights, and he wants a man appointed at the expense of this country to relieve him of the duty which devolves upon him as a member of this committee. This is all we have before us, and I do ask this committee whether they think it is proper for us to allow counsel to appear without any reason being given, any charge being made, any statement being made by the Minister of Public Works; but he simply appoints counsel at the request of Mr. Bennett.

Mr. BENNETT.—Give us your proof of that statement.

Hon. Mr. PUGSLEY.—It has been alledged by Mr. Carvell and my hon. friend—

Mr. BENNETT.—Mr. Carvell won't make the statement that I went to the Minister of Public Works.

Mr. CARVELL.—I believe it just the same.

Hon. Mr. PUGSLEY.—Mr. Bennett has, in effect, admitted it. The Minister of Public Works, if he wants counsel, should come before us or send us a written communication stating he has reason to believe that in connection with certain matters, naming them, there has been certain fraud committed against the public. Upon that I think this committee would act—I would be willing to act myself if the Minister of Public Works gives us the information upon which he wishes the investigation to proceed. We are asked to enter upon an investigation, and the country is asked pay counsel without our approval, as I have said, and without the slightest reason being given for the extraordinary course being adopted. We are to-day asked to establish a precedent which will be very inconvenient. If Mr. Bennett can have counsel, any member of this Committee has the same right to make the same request of the Minister of Public Works to have counsel employed upon an investigation. There are some things I would like to have the committee go into—the dredging upon the Miramichi, where a contract for eleven cents per cubic yard was cancelled and a new contract let at twenty cents per cubic yard. But would I be allowed, without any reason being given, simply to ask the Minister of Public Works to send counsel here? Would the committee hear counsel? They would not unless the minister states he has reason to believe that some fraud has been committed which requires investigation in the public interest. If the Minister of Public Works makes that statement to-day I would hesitate very long before I would oppose the request. As I have said there is a right way and a wrong way to carry on these investigations. I am not afraid; I would make no objections to the right course being pursued.

Mr. BENNETT.—I can only say this, that had it not been for the funeral this morning of a friend of the Minister of Public Works he would be sitting here in his chair. Mr. Stewart says he has been employed by the Minister of Public Works. Surely that is enough answer for this committee. I alleged there was fraud in the House. I won't shelter myself behind that House. I will go outside, as I did in the riding of Simcoe, and throughout the province of Ontario, and say these are most fraudulent tenders and prove it. It has got to come out, no matter whom it hits.

Hon. Mr. PUGSLEY.—We are not to investigate charges, and possibly slanderous statements made by Mr. Bennett in the back concessions of Ontario. We are to investigate charges which are made to this House. My hon. friend has not made them before this House during this session of Parliament.

Mr. BENNETT.—Will the Minister deny that when he was Minister I charged that these tenders were written by the same men? But he stated that he could not see the slightest resemblance in them. He does not want it proved.

Mr. CARVELL.—Then there is nothing new, then. Is this the same old transaction?

Hon. Mr. PUGSLEY.—A matter that occurred before I became Minister of Public Works—that is what he wants to investigate. He investigated it several years ago.

The CHAIRMAN.—We have not come here to listen to a dialogue. I never understood that it was necessary that an allegation of fraud should have to be made in order that a member should make an investigation before this committee. This committee is appointed for the purpose of looking over the Auditor General's Reports and if any are suspicious a member has a perfect right to call for the necessary information respecting that account without being deemed guilty of any thought of fraud upon the part of the Government. Now I had a look at that bundle of papers there and I know if I had to deal with that amount I would like some assistance. I do not know whether this gentleman is being paid or not. The question is we want to find out whether money has been properly spent. As to whether this gentleman gets paid later on, that is a matter we can discuss when the matter comes

up in the Auditor General's Report. The main question is here, do we want a thorough investigation into these accounts, and I suppose that somebody has asked for assistance, and this is the gentleman who has been asked to look into the accounts. This does not prevent my hon. friends from investigating. They have a perfect right to go ahead and cross-examine. Is it the pleasure of the committee that—

Hon. Mr. PUGSLEY.—I had not finished my remarks. I do not dispute, Mr. Chairman, for a single moment that it is the right and the duty of this committee to investigate all the public accounts, but what I was saying is that we are asked to take an unusual course, a course for which so far as I am aware there is no precedent. We are asked to allow counsel to appear here for the purpose of carrying on this investigation, without, as I have said, any reason being assigned by the Minister of Public Works why counsel should be employed. I am particularly anxious myself to investigate the accounts of the year ending March 31, 1912, but I could not ask for counsel for that. If I asked for counsel I feel sure you would advise the committee not to give me counsel at the public expense. Therefore why should we do it in this particular case when as I have said there has been no reason whatever furnished to the committee for taking so unusual and unprecedented a course. Now Mr. Bennett says that he wants to investigate the tenders which were put in and that he will show me up in connection with these matters. Now that was all tried out and investigated by this committee four years ago.

Mr. BENNETT.—These tenders were never investigated.

Hon. Mr. PUGSLEY.—Yes, they were. The tenders to which he refers were put in before I became Minister of Public Works. Mr. Chairman, that is the ground upon which I would ask you that this unusual course be not taken without the minister giving some reason to the committee as to why he desires the investigation to be proceeded with by counsel.

THE CHAIRMAN.—I have no doubt that if the minister were here he could give you the information you desire, and I have no doubt that he would not consent to the employment of this gentleman without good reason, and I am not prepared to go back on what I know would be his reasons. I would therefore put the motion. Is it the pleasure of this committee, that these gentlemen be permitted to appear as counsel here to-day?

Motion carried.

Mr. PRINGLE.—Now I want in the first place to thank the committee for giving me the privilege to appear on behalf of the Canadian Dredging and Construction Company. I assure you that I will be as fair as possible in the conduct of what I think is in the interests of all. There has been a great deal said about frauds and such things. In so far as my clients are concerned we are delighted to have this investigation. We have nothing to fear from it. Our cards are on the table and we will assist this committee in getting to the bottom of the whole transaction. But what I do want to know, and what I think we are entitled to know at the start is this, what are we investigating? We have got the Minutes of Proceedings of the Public Accounts Committee meeting last week. The Minutes state that, on motion of Mr. Stanfield it was ordered, that F. W. Grant, of the town of Midland, Secretary and President of the Canadian Dredging and Construction Company, be summoned and required to appear before the Committee at 10.30 o'clock a.m., on Wednesday next, the 22nd inst., and give evidence as to dredging at Tiffin and Victoria Harbour, as shown on page V-36, Report of the Auditor General for the year 1911-12. Now then V-36 of the Auditor General's Report simply shows, Tiffin Harbour Improvements, \$105,525.00. The Auditor General's Reports are here, all the vouchers are here, the contracts are here, the specifications are here, the certificates of the men who measured the work are here, the certificates of the engineers who surveyed all the work are here, and I do not know what further light we can throw upon it, but if we can throw any further light we want to do so. Unfortunately Mr. Grant was taken

suddenly ill with an attack of appendicitis and was sent to the hospital Monday morning, and I am glad to say is doing very nicely. In order to facilitate this committee and that there should be no delay I at once got in touch with Mr. Stewart and said to him: Now the committee is convened for Wednesday morning. We want to give the fullest possible information and we will produce anybody you suggest connected with the company, and it was suggested that Mr. Pratt be produced. Mr. Pratt is here and is willing to be examined and give all the information in regard to that item. But what I want to understand from Mr. Stewart is this: Is this an investigation of the payment of \$105,000.00 to the Canadian Dredging Company or is it going to be a fishing expedition into the private affairs of my client. All we ask the committee for is a square deal and that I am satisfied we will get from the gentlemen composing this committee. We do not want to go into our private business matters, and I do not think any member of the committee suggest that we should.

MR. BENNETT.—What do you mean by private business?

THE CHAIRMAN.—Wait till we come to it.

MR. PRINGLE.—I understand that the rule of this committee, which has been long established, is that it can only investigate the Auditor General's Report for the year 1911-12, or whatever it may be that has been referred to it to investigate.

MR. BENNETT.—Now you know very well we can go back for twenty years.

MR. PRINGLE.—Yes, but go to the House for instructions.

HON. MR. PUGSLEY.—Has there been any order in reference to what reports should be submitted to the committee?

THE CHAIRMAN.—I think this is the only report so far.

HON. MR. PUGSLEY.—Well, without a reference from the House are we to go back as far as Mr. Bennett desires, and it may be take up the whole time of this committee so that we would not have a fair chance of investigating the accounts of the past year? Now, Mr. Chairman, it seems to me that the investigation should be confined to the report.

THE CHAIRMAN.—I understand that we have done it in the past and so far as I am concerned it will be done in the future. If this investigation would be in any way limited by not having the other reports I would suggest a motion being put through for the other Auditor General's Reports.

MR. STEWART.—Mr. Chairman and Gentlemen of the Committee, this discussion has been rather interesting to me. I wish, like my learned friend Mr. Pringle, to thank you for the privilege of appearing before you. I shall endeavour to discharge my duty fairly to all concerned, fairly to the public and fairly to those who occupied positions under the late government, and I think there will be no ground for complaint on that. Reference has been made to the item under investigation. This item is part of a large expenditure of money covering several years at a particular point, and to detach one item from the other items of expenditure would make it impossible to conduct the investigation properly, or to get at the real merits and at the truth of the matter. Therefore we may have to travel a little further back than the past year, though we shall keep as close to it as possible.

HON. MR. PUGSLEY.—If that is so, is it not better to proceed regularly and get a motion made before the House? Now, Mr. Stewart says that this amount is connected with a lot of other dredging extending over several years. As a matter of fact, this item was paid up under a contract, a new contract, which was entered into after I became Minister of Public Works. It is not in any way connected with payments made five years ago.

THE CHAIRMAN.—We are wasting time. Wait till we get to some other item.

HON. MR. MURPHY.—I have no desire to prolong this discussion. Mr. Stewart has remarked that he would discharge his duty fairly to all these charged. But who are charged and what is the charge made against them?

THE CHAIRMAN.—He just means this item here. We are going to investigate this item.

Hon. Mr. MURPHY.—There is no charge?

The CHAIRMAN.—Not so far as I know.

Hon. Mr. PUGSLEY.—Is it charged that this expenditure is irregular?

The CHAIRMAN.—Mr. Pugsley knows that we are simply investigating an item in the Auditor General's Report in the usual way. There is no charge against anybody. It is simply an investigation.

Mr. D. S. PRATT, called, sworn and examined.

By Mr. Stewart:

Q. Where do you live, Mr. Pratt?—A. In the town of Midland.

Q. And you are an official of the Canadian Dredging & Construction Company, are you not?—A. Yes, manager.

Q. How long have you been in that position?—A. Five or six years.

Q. Who are your directors?—A. Mr. Playfair, Mr. Sheppard, Mr. White, Mr. Grant, Mr. Tudhope and Mr. Kilgour.

Q. Where is Mr. Grant?—A. He is in the hospital.

Q. What are his duties in the Company?—A. He is Secretary Treasurer.

Q. I suppose he would have more information than any other official of the Company with regard to contracts, and so on.—A. Yes.

Q. And next to him you would have as much knowledge as any other person?—A. I have charge of the operation only.

Q. How long have you had charge of that?—A. Five or six years.

Q. Your Company carried on dredging at Victoria Harbour, Midland and Tiffin, didn't it?—A. Yes.

Q. How long have you been carrying on work there?—A. Six years.

Q. Were the other companies carrying on work there?—A. The Owen Sound Dredging Company.

Q. You two are the only companies that operated at these points in the last five or six years?—A. Yes, that is right.

Q. I am going to produce to you a tender....

Mr. PRINGLE.—What year?

Mr. STEWART.—A tender for the year 1906.

Mr. PRINGLE.—I object to that, Mr. Chairman. The contract under which this expenditure was made is a contract dated 1908, which contract was renewed. That contract was given upon tenders being called for, and the Canadian Dredging Company happened to be, if I understand, the lowest tenderer. The contract was signed and executed on the fourth day of August, 1908, by the Canadian Dredging and Construction Company, by the Deputy Minister of Public Works, Mr. J. B. Hunter, and by the Secretary. Now, that is the contract, the original foundation of this expenditure of \$105,000. That contract was renewed in subsequent years; as a matter of fact it was renewed in 1912, during the last year, on the same prices, same terms and same conditions by the present Government. Consequently it is the foundation of this expenditure of \$105,000, and until at least there is a resolution, and I understand it should be approved by the House authorizing the committee to investigate contracts previous to the item in the Auditor General's Report, now under consideration, we cannot go into the matter.

The CHAIRMAN.—I do not understand the matter that way. It is true that if we want to investigate the expenditure of any money which appears in previous reports of the Auditor General, we cannot do that without having those Reports referred to us by the House. But if we are investigating an expenditure which appears in the report referred to us, and it is necessary to prove whether that is a proper expenditure or not by referring to contracts which have been entered into in previous years, we are not debarred from consulting those contracts.

Mr. PRINGLE.—How are we ever going to limit the investigation if that be correct? We might go back to Confederation days if we point to one particular investigation

and say, "Oh, this matter or the other matter as something to do with it." Here we find a specific sum of \$105,525, stated in the Auditor General's Report. That is the sum to be investigated according to the minutes of the proceedings of this committee. Now where does that sum come from? It comes from the renewal of a contract entered into a couple of years ago, the original contract of which was dated 1908. If there was some contract let in 1906, how is it going to be connected in any way with this contract? This contract was either a fair or an unfair contract, it was either properly or improperly let; and we say: "Go in and investigate it". When you get through with it, if you think there has been something wrong in previous years—six or seven years ago—go to the House and make your charge and get the matter referred to this committee and we will be ready to accede to it. I am making these remarks simply for the purpose of having some limit to this investigation, of keeping ourselves within some limit.

The CHAIRMAN.—I do not think you have grasped my meaning. I am not going to allow anybody, so far as I am concerned, to investigate and expenditure of money which was referred to in any previous Report; but an investigator cannot prove whether this expenditure is proper if he is confined to contracts entered into simply in that year. That cannot be done, you can see that yourself; the expenditure of this money was authorized by contracts in prior years.

Mr. PRINGLE.—The contract of 1908 is the foundation.

The CHAIRMAN.—How can we say whether the expenditure is proper or not if we do not have that contract. I do not know whether it is desired that the committee should adjourn and that the witness should hang around here for two or three days until we have reported to the House. But that will be done if necessary.

Mr. PRINGLE.—I am quite willing to facilitate the proceedings. If the committee want to go back to 1906, or back of that again, well and good. But when we start to investigate an item such as the one under consideration, let us do so. Let us get to the foundation, let us ascertain what authority there was for the payment of the money. Were the prices fair and reasonable, were we the lowest tenderers, and so on. I do not know what may transpire as the result of this inquiry, but so far as my investigation has shown everything is regular and sound in connection with this contract. So regular indeed was it, that the present Government renewed the contract on the same terms and conditions as were entered into in 1908.

Mr. BENNETT.—Just on that point. It is not fair to—

Hon. Mr. PUGSLEY.—Order.

Mr. BENNETT.—It is a personal matter. It is not fair on Mr. Pringle's part to make the statement he has done. He knows that the government only consented to that contract being gone on with last year in order to allow this company to finish up their work, and the renewal of the contract was effected under altogether different conditions. Why, new inspectors were to go on the work. The company know the difference now, that is what kills them.

Hon. Mr. PUGSLEY.—Is it not utterly absurd for Mr. Bennett to say that the Canadian Dredging & Construction Company can attach any conditions to the inspectors. The inspectors are appointed by the Government. The contractors have nothing in the world to do with their appointment.

Mr. BENNETT.—But the company only got a renewal of the contract on that condition.

Hon. Mr. PUGSLEY.—While I am on my feet let me say one word as to the point raised by Mr. Pringle, and I think, Mr. Chairman, you misunderstood that gentleman. Mr. Stewart does not say that he wants to put it an old contract of 1906 in order to show that the contract of 1908 was wrong, that there was anything wrong with the expenditure. He has not stated that, and that is the only ground on which you, Mr. Chairman, might say that the matter could be gone into. There was an old contract—I happen to know this because I was minister—in 1906. That contract came to an end in 1907. New tenders were called for and a new contract entered

into in 1908 after public tender, this company being the lowest tenderer, and in accordance with that contract this money was paid. How does it concern this matter at all, or how does it concern the committee, that we should go into other contracts made two or three years before?

Mr. PRINGLE.—(My friend, Mr. Bennett has made a statement that I agree with in the main. There is no doubt the contract was renewed; it was renewed after the most thorough investigation and I do not think any other firm would have gone in and finished up that work at the prices which were reasonable and which were recommended by the engineer. There is no doubt the government has always its inspectors on the work, we expect that the Public Works Department will see that competent inspectors are appointed on all these works. If there is any charge that any of these inspectors were incompetent surely we are not to blame for that, that is a matter entirely with the department. So far as Mr. Bennett is concerned he and I understand one another thoroughly, that was dealt with last year.

Mr. STEWART.—If Mr. Pringle desires such a thorough investigation as he professes I cannot see any objection to this being given. The situation is that this is part of a large expenditure covering a number of years at different places and they are all linked together. You cannot take any one item of expenditure and thoroughly go into it without going into the other expenditures to a certain extent.

The CHAIRMAN.—You have to make a comparison with the others?

Mr. STEWART.—Certainly, that is what I am saying.

Mr. PRINGLE.—Is not this expenditure of \$125,000 covered by the renewal of the 1908 contract?

Mr. STEWART.—I cannot say about that, that will be for you to prove if such is the case.

Examination of Mr. Pratt resumed.

By Mr. Stewart:

Q. Now, Mr. Pratt, I produce to you a file of original tenders in the year 1906—

Hon. Mr. PUGSLEY.—As one member of this committee, I would like to have a ruling of the committee.

The CHAIRMAN.—I will rule on this if you desire.

Hon. Mr. PUGSLEY.—I was not, Mr. Chairman, asking your ruling, I was asking for a ruling of the committee. What I say is this, it appears from the statement of Mr. Pringle, and it is admitted by Mr. Stewart, the papers are now before the committee showing that the contract of 1906 the tenders for which Mr. Stewart now proposes to put in, came to an end in 1907; that new tenders were called for publicly, that the contract was awarded to the lowest tenderer, and a contract entered into in 1908, and that it being upon that contract and the renewals since made, and upon that alone, this money specified in the Auditor General's Report was paid, I submit that it is not competent for this committee to go into the tenders received in 1906 and the contract made in 1906. Now, if the majority of the committee rule that way we will have it as a precedent for future guidance, and we can make up our minds that that will be the course of procedure in future, but let it be a ruling of the committee, let it be settled one way or the other, let somebody make a motion.

The CHAIRMAN.—Very well, that can be done.

Hon. Mr. PUGSLEY.—I make this motion, 'That inasmuch as it appears that the tenders which Mr. Stewart now proposes to offer were submitted in 1906, that the contract which was awarded on these tenders came to an end in 1907, that new tenders were called for and that a new contract was entered into on those tenders in 1908, and that this payment mentioned in the Auditor General's Report was made upon a renewal of the contract of 1908, and was in no way connected with the contract of

1906, that it is not competent to put in the tenders of 1906 and the contract awarded thereupon?

The CHAIRMAN.—That is hardly a motion, that is a speech. I think in view of what you have said you had better move a motion, you ask the committee to agree to all those preambles which you have just repeated.

Hon. Mr. PUGSLEY.—If you will allow me, I will write the motion so that it can be put upon the record?

The CHAIRMAN.—Very well.

Hon. Mr. PUGSLEY.—I think, Mr. Chairman, you will feel it to be your duty to prevent Mr. Bennett keeping up a running fire of insulting and unwarrantable remarks with regard to witnesses, and with regard to the desire to tamper with the witnesses, it is very insulting and unjustifiable.

Mr. BENNETT.—Anybody can see your game, your witness only got in this morn, ing and you did not have an opportunity to see him before he came to report.

Hon. Mr. PUGSLEY.—I suppose it is unnecessary to answer these remarks.

Mr. BENNETT.—They are unanswerable.

Mr. PRINGLE.—I may say that in looking back at the proceedings of the Public Accounts Committee the procedure has always been this—I am going to say to you that Mr. Pratt knows nothing whatever about the tenders of 1906.

Mr. STEWART.—How do you know about that? It is very unfair, you are giving him a suggestion before the witness has a chance to answer a question. That suggestion would not be allowed in any court of law in the land and ought not to be allowed here.

Mr. PRINGLE.—That is not the point here. The point is, if we are going to have any regularity in these proceedings we should abide by the rules. Now, the procedure in this committee has always been that when we wanted to go back for a period of two years there was a motion made in the House recommending that the Auditor General's Report for the fiscal year covering the periods over which you desire to extend the investigation should be, so far as they affected the payment to so and so, be referred to the Select Standing Committee on Public Accounts. That motion goes to the House and the House deals with it. Take, for instance, last year, look at the Votes and Proceedings for March 22, 1912, in connection with the Diamond Light and Heating Company, Limited, the Committee wanted to go back and inquire into the payments made to that company. In order to enable them to do so a motion was made here and the matter came up in the House and the necessary authority was given.

Mr. GERMAN.—Do you not think that if the majority of this committee thinks it is necessary to investigate the accounts of any company back to confederation, it will report to the House asking for the necessary authority and it will be granted. We might just as well go on with the examination on the assumption that the majority of this committee are going to move for all reports back to '67 if they think wise to do so, and they will get that authority.

Hon. Mr. PUGSLEY.—I do not think they ought to make the motion as broad as that, but I think we may just as well go on with the investigation if the Chairman says that motion will be made.

The CHAIRMAN.—I still think we have a perfect right to go back and inquire into former payments in order to make a thorough investigation into the present payment. If the point is insisted upon I suppose we can make the motion now and adjourn until to-morrow pending action by the House, but that is not going to do anybody any good, and we might as well proceed with the investigation.

Examination of Mr. PRATT resumed.

By Mr. Stewart:

Q. You are ready, are you?—A. Yes.

Hon. Mr. PUGSLEY.—How would it be to do this—to have it understood that this motion will be made at the next meeting and we can proceed in the meantime. I think we ought to proceed regularly.

Mr. STEWART.—May I proceed, Mr. Chairman, along that line?

The CHAIRMAN.—Yes.

By Mr. Stewart:

Q. I produce to you, Mr. Pratt, a tender dated Ottawa, 23rd March, 1906, for certain work at Midland made by the Canadian Dredging & Construction Company, Limited, signed by D. A. White, President, and F. W. Grant, Secretary Treasurer. Do you know Mr. Grant's signature?—A. Yes.

Q. Will you look at that please?—A. Yes (Witness examines tender.)

Q. Is that the signature of Mr. Grant?

Mr. PRINGLE.—I do not know whether we are confined to Tiffin Harbour.

Mr. STEWART.—These tenders come from the same company and I am investigating the signatures of the tenderers.

By Mr. Stewart:

Q. Do you notice that the word "Ottawa" there (indicating) is written over another word as if Midland had been started there?—A. Yes.

Q. I presume you know Mr. Grant's figures? A. No sir, I do not.

Q. How is that?—A. How would I be expected to know his figures.

Q. You are the manager of this company?—A. Yes.

Q. Do you know Mr. Grant's figures?—A. No.

Q. You have been the manager for some years. In your capacity as manager you have seen both Mr. Grant's handwriting and his figures very frequently?—A. Quite often.

Q. Would you know them if you saw them?—A. I do not think I should be called upon—No, I do not.

Q. You have seen them many times?—A. I am not supposed to know them down here.

Q. I am going to ask you to look at these figures and pledge your oath?—A. No, I am not able to say, I will have nothing to do with them.

Q. Do you know his signature?—A. Yes, much better than I would his figures.

Q. I produce to you an envelope accompanying that tender and upon that envelope is written "The Secretary, Department of Public Works, Ottawa, Tender for Dredging at Midland." Whose writing is that?—A. That looks like Mr. Grant's writing.

Q. Have you any doubt about it?—A. I am not going to swear that it is his handwriting. I am not positive.

Q. What is your belief about it?—A. I believe it is.

Q. Now, will you tell me what the prices in that tender were? (Witness examines file)—A. \$4 for rock and 80 cents for other material.

Q. You notice that this envelope is a House of Commons envelope and you notice that there are no postage stamps upon it at all?—A. No, I do not see any.

Q. Apparently delivered down here?

Mr. GERMAN.—You said, evidently, delivered down here.

By Mr. Stewart:

Q. Do you notice any post office stamp there of Midland on it?—A. I do not see any.

Q. What post office stamp do you find on it?—A. Secretary's Office.

Q. That is the only stamp mark you find in it?—A. All I see.

Q. You find no post office stamp at all?—A. I do not see any.

By the Chairman:

Q. What Secretary's Office?—A. I just see 'Secretary's Office.'

Q. Secretary of the Company, or Secretary of the Public Works Department?—

A. Secretary of the Public Works Department, I presume.

By Mr. Stewart:

Q. What date do you find there—A. March 23, 1906.

Q. Now, do you know who else tendered on that work at that time—A. No, sir.

Q. Now, I produce to you a tender from the Owen Sound Dredging and Construction Company, Limited, on the same file, signed by A. G. Mackay, president, and it is dated at Ottawa, March 23, 1906. You notice that?—A. Yes.

Q. You notice that the prices there are, rock, \$2, and other material, 34 cents. You notice that?—A. Yes, those are the prices statetd in the tender.

Q. You notice the envelope accompanying that tender?—A. Yes.

Q. It has a postage stamp on, and it is addressed, Secretary, Department of Public Works, Ottawa, and appears to have been mailed in the ordinary way?—A. Yes.

Q. Do you know whose writing is on the envelope—A. No.

Q. Do you know whose figures are in that tender?—A. No, sir, I do not.

Q. Now, your company was the Canadian Construction Company, and your tender was \$4 for rock, and 80 cents?—A. No, sir, it was the Canadian Dredge and Construction Company.

Q. The other company's prices were \$2 for rock, and 34 cents other material?—A. Yes.

Q. And yours were \$4 for rock, and 80 cents for other material. That is a very wide discrepancy?—A. Yes.

Q. Have you any practical experience in dredging?—A. Some.

Q. Had you any before you went into work with this company?—A. No.

Q. Did you look over the work before those tenders were put in?—A. I could not tell you that at this date.

Q. Can you say whether you looked over this work in 1906, at Midland?—A. I would not like to say so.

Q. If you did not look over the ground who would?—A. The chances are that I would likely look over the ground, but I cannot remember.

Q. If anybody looked over the ground you probably did?—A. Yes.

Q. There was some discussion as to the amount to be inserted in them?—A. Naturally, yes.

Q. Do you remember about this tender in 1906?—A. No, I do not.

Q. Now, I was asking you how these prices came to be so much higher than the next tender and I asked you whether you were the practical man who looked over the ground and decided on these prices before the tender was put in?—A. Yes.

Q. And have you no recollection as to why the prices were put in at \$4 and 80c. in that particular tender?—A. No, sir, I have not.

Q. Later, your company tendered for work at this same spot for a very much lower price?—A. A lower price than was before tendered, you mean?

Q. Yes, why was it lower?—A. Our present price is \$2.25 and 29 cents for other material.

Q. At this same point?—A. Yes.

Q. And \$4 and 80 cents in the original tender?

Hon. Mr. PUGSLEY.—He is speaking of the present prices.

Mr. PRINGLE.—The contract closed on these tenders of 1906 at these prices.

By Mr. Stewart:

Q. Did you know there was a second tender put in by the Owen Sound Dredging Company at \$2 and 35 cents respectively?—A. I would not know it was in.

Q. Didn't you hear it discussed at all?—A. No, not that I remember.

Mr. BENNETT.—Was the work for that tender at Midland or Tiffin? Let us understand that.

Mr. STEWART.—Midland. Now, Mr. Pratt, what prices have you received at Midland?—A. You mean at present?

Q. No, what prices have you received at different times?—A. We have received low prices and lost much money.

Q. Could you give me the prices?—A. We entered into a contract with the Canada Iron Furnace Company at 8 cents, and lost all kinds of money.

Q. When was that?—A. That was in January, 1911.

Q. At 8 cents?—A. Yes.

Q. Is that the only contract you lost money on?—A. We had a contract this year for 15 cents in front of the Midland Elevator and did not make any money whatever on it.

Q. Did you lose any?—A. I think we did, a little.

Q. Well, we will look into that later. You have your books here I suppose?—A. No, sir, I have not.

Q. You did some work at Midland in 1912. What were your prices then, simply a renewal of the price made in 1911?—A. Yes.

Q. You were willing to renew in 1912 the price for 1911, although in 1911 you lost money?—A. We never go back on a job once we start.

Q. This is a renewal, then?—A. When we start a job we finish no matter what we lose.

Q. That is the only reason?—A. Yes.

Q. Now, we will take a look at No. 2 here. Mr. Pratt, I produce to you the tender dated at Midland on the 14th of April, 1906, by the Canadian Dredging and Construction Company, signed by James Playfair, director, and F. W. Grant, secretary-treasurer. Is that Mr. Grant's signature?—A. It appears like it.

A MEMBER.—Is this Midland or Tiffin?

Mr. STEWART.—This is for purposes of comparison, and relates to dredging on the Kaministiquia river.

Hon. Mr. PUGSLEY.—Now, Mr. Chairman, if you will pardon me, is it not useless taking up the time of the committee talking of other prices? This was paid on a contract made in 1900.

Mr. CARVELL. I understand this is an entirely different place.

Mr. GERMAN.—If we are to make comparisons of prices which, as a rule, is a proper way of investigation, and go all over as my learned friend is starting to do, you make an interminable reply to this matter, because necessarily contractors will have to make comparisons as to the cost of excavating the material in these different places, and there are a hundred and one things which enter into the work of dredging and like work which makes one place very much more expensive than another.

Mr. STEWART.—It is not prices but signatures on tenders that I want to identify.

Hon. Mr. PUGSLEY.—Then why do ask the amounts?

Mr. GERMAN.—Prove the handwriting, if that is what you want.

Mr. STEWART.—I want the amounts and different prices. Now, Mr. Pratt, there is Mr. Grant's signature, and in the body of the tender you see are the figures and words in Mr. Grant's handwriting also?—A. I would not say so.

Q. Why not?—A. I have no right to identify that.

Q. Can't you identify that?—A. No, sir, I cannot.

Mr. PUGSLEY.—As one member of the committee, I would like to ask Mr. Stewart if it is alleged by the minister that the prices paid under the contract of 1908 were excessive. Is that alleged?

The CHAIRMAN.—I don't think there is any allegation made at all. This committee is simply investigating an account just to see whether the expenditure was proper.

By Mr. Stewart:

Q. I produce to you from this file an envelope accompanying this tender to which I have just referred, addressed to the Secretary of the Department of Public Works, Ottawa, and on the margin, Kaministiquia river. Whose handwriting is that?—A. It appears to be Mr. Grant's.

Q. And you notice that there is a stamp here similar to the one I referred to before?—A. Yes, the Secretary of the Department of Public Works.

Q. You don't see anything else on the envelope?—A. No.

Mr. BENNETT.—Who is that signed by?

Mr. STEWART.—By F. W. Grant and Mr. Playfair. Now, Mr. Pratt, I produce to you a tender for work at Waubauskene in the year 1907 by the Canadian Dredging and Construction Company, Limited, F. W. Grant, secretary-treasurer, dated the 4th day of May, 1907. Is that Mr. Grant's signature?—A. It has the appearance of it.

Mr. CARVELL.—Mr. Stewart, where is Waubauskene in comparison with Midland?

Mr. STEWART.—Not far away. I don't know exactly.

Mr. PUGSLEY.—How far is it, Mr. Pratt?

Mr. PRATT.—About twelve or fourteen miles.

By Mr. Stewart:

Q. Is "Waubauskene" in Mr. Grant's handwriting?—A. It appears so.

Q. And the prices, \$3.50 for rock and 18c. for other material, and in the margin \$3.50 and 18c. in figures. Whose figures are these?—A. I do not know.

Q. Have you an idea?—A. No, sir, I have not.

Q. Whose handwriting is it?—A. The handwriting appears to be Mr. Grant's but I cannot identify the figures.

Q. You can identify the words just before the figures but the figures you are not quite sure of?—A. I have no right to identify that handwriting. The figures are his as near as possible.

Q. Why do you stop at the figures?—A. I would be much more familiar with his handwriting than I would be with his figures, quite natural.

Q. I produce to you another tender for work at Midland by the Canadian Dredging & Construction Company, Limited, signed by F. W. Grant. Is that Mr. Grant's signature?—A. It appears to be, yes, sir.

Q. And the prices are \$2.40 for rock, and 53 cents for other material?—A. Yes, sir.

Q. Do you remember looking over that work before these prices were determined upon?—A. No, sir, not now.

Q. Do you remember any discussion as to the amount put up in those tenders?—A. Not at present. I can't remember, that is in 1907, isn't it?

Q. Yes. You cannot say whether you looked over that work or not?—A. No., I am not positive.

Q. Now I produce to you an envelope marked "Midland & Waubauskene" addressed to the Secretary of the Department of Public Works. Whose handwriting is that? (Handing document to witness).—A. It appears to be Mr. Grant's.

Q. And it appears to have been mailed at Ottawa?—A. Looks like it, yes.

Q. And the postmark stamped on it there? That envelope is identified as being the one accompanying those two tenders, isn't it?—A. I do not know anything about that.

Q. Well, just look at it. It is attached to the other documents.—A. It is, certainly.

Q. And the same prices appear on it, don't they?—A. The same prices?

Q. Yes.—A. I don't know.

Q. 29?—A. 39, a difference of ten there.

Q. What is the date of that tender?—A. May 4th.

Q. And what is the date of this postmark? (Exhibiting document to witness)—

A. That is May 6th.

Q. Yes, Ottawa, May 6th.—A. There is a difference in the figures there of 10.

Q. We will take the tenders for work at Waubashene signed by the Penatanguishene Dredging Company per P. H. Spohn, Secretary-Treasurer. Do you know the handwriting on that document?—A. No, sir.

Q. You do not know the signature?—A. No, sir.

Q. I refer you to the word "Waubashene" in this tender.—A. Yes.

Q. Will you look at it and say in whose handwriting it is? (Handing document to witness)—A. It has possibly the appearance of Mr. Grant's. I won't swear that it is.

Q. To the best of your belief that is Mr. Grant's handwriting?—A. No, I won't say so.

Q. You say it looks like it?—A. I am not going to identify that as his handwriting, he will do that himself.

Q. Unfortunately he is not here.—A. He will be here later on when you want him.

Q. Will you look at these two words "Waubashene" in these two different tenders. You see them don't you?—A. Yes.

Q. Have you any doubt about that being Mr. Grant's handwriting in both tenders?—A. You see there is a considerable difference in them.

Q. Have you any doubt about its being the same handwriting in both?—A. I would say there is quite a difference.

Q. Are you not able to identify it as Mr. Grant's handwriting?—A. I do not know. I would not like to say that I could or could not identify it. I do not see any reason why I should.

Q. Why you should what?—A. I am not positive enough about his handwriting, he would identify that himself.

Q. Will you look again at the figures in the two tenders. They are both in the margin—\$3.50 and 18 cents, \$2.40 and 18 cents. (Exhibiting document)—A. Yes.

Q. Do you not find those figures to be in Mr. Grant's handwriting, and the word "Waubashene"?—A. I would not say so, sir.

Q. Look at them.—A. It is possible, but I would not swear that it is.

Q. I produce another tender to you from the Continental Dredging Company per P. H. Spohn, secretary treasurer.—A. That is the Penetanguishene Dredging Company.

Q. Very well, the Penetanguishene Dredging Company. It was dated May 4, 1907, and was for work at Midland Harbour?—A. Yes, sir.

Q. In whose handwriting is that tender?—A. I don't know.

Q. Does not that look like Mr. Grant's handwriting?—A. It does, some parts, but it is not quite his handwriting either.

Q. What difference do you find?—A. Well, this is not the same exactly. I will not identify it.

Mr. PRINGLE.—When Mr. Grant is able to get out of the hospital, you can ask him that.

Mr. STEWART.—We are not going to wait for that, I do not think.

By Mr. Stewart:

Q. I produce to you here these two tenders by two different firms.—A. Yes.

Q. And you are of the opinion that Mr. Grant's handwriting appears in both, are you not?—A. No, I am not.

Q. Will you say that it looks like his handwriting?—A. I cannot say that at all.

Q. Are you not going back on what you already-said?—A. No, I am not. I am not going to identify it as Mr. Grant's handwriting.

Q. You have already said it looked like it.—A. I say it has the appearance of it. It has got the appearance of it.

Q. And you believe it to be his handwriting?—A. No, I do not.

Q. But you say it has the appearance of his handwriting?—A. There is quite a difference between the appearance of it and being it.

Q. Well, we will see about that later. I produce to you here an envelope dealing with dredging at Midland and Waubashene (producing document).—A. Yes.

Q. An official envelope, and I ask you whose handwriting appears on that envelope?—A. I would say that I do not know.

Q. Is that not Mr. Grant's handwriting?—A. I do not know, I am sure, whether it is or not. That is not as plain as some of the others.

Q. Doesn't the handwriting look like Mr. Grant's?—A. I don't know.

Q. You do not know whether it looks like his handwriting?—A. I do not know whether it is his handwriting or not.

Q. Your recollection on this matter appears to be fading, does it not?—A. No.

Q. At first you were quite satisfied you could identify the handwriting as Mr. Grant's. Now, when you find it on these two different tenders of different companies, your knowledge appears to fade away and you cannot identify the handwriting.—A. Oh, no, you are wrong.

Q. That is the fact, is it not?—A. No, it is not.

Q. I am not going to press you on the question just now——. A. All right.

Q. I ask you, sir, upon your oath. Remember you are on your oath now——. A. I understand that as well as you do.

Q. If that handwriting is not Mr. Grant's (exhibiting document)?—A. I tell you that I do not know.

Q. Do you believe it is Mr. Grant's handwriting?—A. I say I do not know.

Q. You will not swear one way or the other?—A. Well, I say I do not know whether it is or not. This portion (pointing to document) was written six or seven years ago.

Q. Were they both written six or seven years ago?—A. Well, the first ones you showed me were quite plain, and I would remember, apparently. This was written with a different pen.

Q. Then the only thing you can suggest is that the handwriting was done with different pens?—A. He uses a stubb pen. I know his handwriting with a stubb pen fairly well.

Q. And you notice that these tenders were apparently delivered in envelopes at Ottawa?—A. I don't know anything about that.

Q. Look at the envelope and see.—A. I see that apparently there is no stamp on it.

Q. Do you know what happened in regard to these contracts in which the prices are mentioned by your company as \$2.40 and 53 cents?

Hon. Mr. PUGSLEY.—Would you not say to what places the figures relate?

Mr. STEWART.—Midland and Penetanguishene.

By Mr. Stewart:

Q. We will take the Midland tender because we want to refer to those prices particularly. The prices are \$2.40 and 53 cents. Did you get those prices?—A. I don't think so, not that I remember.

Q. Did you have anything to do with fixing those prices?—A. Naturally I was consulted, yes.

Q. Do you remember what occurred when you were fixing those prices?—A. No, sir.

Q. And with whom you discussed them?—A. It would be with our own company.

Q. Any other person?—A. No, sir.

Q. When you speak of your own company, with whom would you discuss these matters?—A. It would be with the president or with the secretary treasurer.

Q. Could you give me their names please?—A. Mr. D. L. White and Mr. F. W. Grant.

Q. Mr. White of Playfair & White?—A. Yes.

Q. You four were in the same town?—A. Yes, sir.

Q. So it was easy for you to get together and discuss these prices? You say you did not get them. What happened with regard to the work at Midland?—A. Not that I remember of.

Q. I want to get your memory.—A. Well, I say I do not remember getting those figures.

Q. Your books would show, would they not?—A. Yes.

Mr. BENNETT.—Let us have the books.

The WITNESS.—I have not got the books with me.

Mr. BENNETT.—You were asked to produce all your books.

The WITNESS.—Mr. Grant is Secretary Treasurer of our Company. I have not got the custody of the books and I cannot produce them.

By Mr. Stewart:

Q. I was asking you what happened with regard to the Midland work for which you tendered at the prices I have mentioned. Did you get the contract?—A. We may have had one dredge on the work, the records will show that.

Q. Did you get the work afterwards?—A. I do not know offhand; perhaps we did. The records of the department will show it—I didn't have it.

Q. Now then I produce to you another tender for work at Midland, dated Owen Sound the 20th day of May, 1907, by the Owen Sound Dredging & Construction Company, Limited. You see that tender?—A. Yes.

Q. And you notice the prices in there are \$2.00 and 27 cents?—A. Yes, sir.

Hon. Mr. PUGSLEY.—Is that \$2.00 for rock and 27 cents for other material?

Mr. STEWART.—\$2.00 for rock and 27 cents for other material.

By Mr. Stewart:

Q. Now then I produce another tender dated the 20th day of May, 1907, by the Canadian Dredging & Construction Company, Limited, F. W. Grant, Secretary Treasurer?—A. Yes, sir.

Q. That is his signature, is it not?—A. It appears to be, yes, sir.

Q. And the price in that tender is \$2.25 for rock and 26 cents for other material?—A. Yes, sir.

Q. And that is the same work that you were tendering on a short time before, is it not?—A. I do not know—what does it say upon it?

Q. It says the same, there is Midland Harbour (indicating tender).—A. It appears to be the same, that is all right.

Q. Is not that the same work that you were tendering on at much higher prices?—A. No, I do not think so.

Q. Now, I will show you the tenders and you can see.—A. All right.

Q. Well, just look at the tender for 1907.—A. (After examining tender.) Yes, it appears to be the same place.

Q. The same place?—A. Yes.

Q. What were the prices of the first tender?—A. \$2.40 for rock and 53 cents for other material.

Q. What is the date of that tender?—A. That is the 4th of May, 1907.

Q. And what is the date of this second tender by your Company?—A. That is the date you have there, the 20th May, 1907.

Q. The same month?—A. Yes.

Q. What are the prices of the second tender?—A. \$2.25 for rock and 26 cents for other material.

Q. Quite a difference, isn't there?—A. Yes.

Q. Quite a difference, and that in the same month—you make your second tender at such a reduced rate?—A. No, I would not like to say so just now, I do not think there is a very great difference, is there?

Q. Yes, quite a difference.—A. What is it?

Q. There is the difference of 53 cents for other material as against 26 cents.—A. Perhaps there was not much of that other material; I could not tell you just now.

By Mr. Carvell:

Q. What is the difference for rock?

Mr. STEWART.—15 cents.

Mr. PRINGLE.—There is nothing to show whether the time for receiving tenders had been extended?

Mr. STEWART.—No.

Mr. PRINGLE.—I have found that sometimes the time is extended and you might have put in an amended tender.

Mr. CARVELL.—Mr. Stewart himself made reference to a telegram from which it would seem as if they were invited to put in a second tender.

Mr. STEWART, K.C.—That appears in the file of tenders here.

By Mr. Stewart:

Q. Now, do you notice the other company also makes a reduction of just about the same amount. You notice that, do you not?—A. What other company do you mean? The Owen Sound?

Q. Yes, the Owen Sound Company. The reduction in that tender is almost the same?—A. What is the other tender?

Q. Their first tender was the same as yours practically, was it not?

Hon. Mr. PUGSLEY.—Were second tenders received before a new contract was entered into? It would not be for any additional work?

Mr. STEWART, K.C.—Yes, I presume so.

By Mr. Stewart:

Q. Here you are, \$3.57 (indicating contract).—A. Yes.

Q. You notice a similar reduction made in each tender?—A. You might look at the dates of those.

Q. Yes, the dates are on the other side.—A. Which company are you referring to?

Q. I am referring to the Owen Sound Company.—A. Well, this is the Penetanguishene Dredging Company.

Q. The other is there too—well, it is on the second tender—did the Owen Sound Company tender?—A. I do not know.

Q. Do you remember anything about it?—A. No, sir.

Q. However, you know that your company made a big reduction in their prices on the second tender?—A. I would not say a large reduction, no.

Q. What kind of material was it up there, principally?—A. Some of it was very soft, and some very hard.

Q. Is there much rock?—A. Well, considerable rock.

Q. At Midland?—A. No, there is no rock at Midland, excepting large boulders.

Q. I am speaking about Midland?—A. All right, if this is Midland, or is it Tiffin?

Q. Do you not see this is marked 'Midland Harbour'?—A. Yes.

Q. And the reduction is from 53 to 26 cents?—A. Yes.

Q. And the material is principally other material?—A. Yes.

Q. And that is a big reduction, is it not?

By Mr. German:

Q. Boulders are calculated as rock, are they not?—A. Over two yards, yes.

Q. Were there many of those there?—A. Quite a number of them, yes.

Hon. Mr. PUGSLEY.—I am not quite as sure whether in the years 1906-7 what is now known as Tiffin was not all called Midland harbour.

Mr. BENNETT.—There were different tenders for Tiffin.

Mr. STEWART.—There were two separate contracts.

Hon. Mr. PUGSLEY.—Do you remember whether as early as 1906 Tiffin had a distinctive name?

WITNESS.—I am not sure as to that now.

Mr. BENNETT.—The tenders were quite different; they did not tender on Tiffin and Mackay did not tender on Midland.

By Mr. Stewart:

Q. Your firm put in a tender for only one place?—A. I could not say so.

Q. Will you look at the tenders, the tenders will show?—A. If you have it all there you might hunt it out, but I can not say so, I did not put in the tenders.

Q. Well, they are all here, 1907. Do you remember any discussion between you and Mr. Grant as to the reduction of prices there?—A. No, I cannot remember it now.

Q. Was there any amalgamation or consolidation of your company with any other company?—A. Yes.

Q. When did that take place?—A. It took place three years ago—two years ago.

Q. Was that the first of it?—A. That was the first of it; yes, I think three years ago.

Q. You think it was three years ago?—A. About three years ago.

Q. About 1909?—A. As near as I can remember.

Q. What was that amalgamation?—A. I cannot give you all the particulars of that amalgamation, I do not know about that as well as some other members of our company.

Q. Your company was interested in the amalgamation?—A. It was not an amalgamation, it was a purchase out and out.

Q. What company was purchased out and out?—A. Our company purchased the Owen Sound Dredging Company.

Q. And had you been working together before that?—A. Yes.

Q. How long?—A. I should say about two years.

Q. When did you begin to work together?—A. I cannot give you that date exactly; the records will show, no doubt.

Q. That would be then, we will say in the year 1907?—A. Possibly.

Q. Well, say whether it was before or after these prices were put in and these tenders that have just been referred to were reduced?—A. No, I could not say.

Q. Is there any way in which you could tell that from your books?—A. Yes, our books or the records of the Department would show it.

Q. The records of the Department would not show the joint operation of your company?—A. Yes, because the payments would be made to the one company and the bills would come from the two different dredges.

Q. You were working together before the virtual amalgamation took place—as far back as 1907?—A. Yes.

Mr. STEWART.—In the year 1907, Mr. Bennett, the tenderers for Midland were the Owen Sound Dredge and Construction Company, Limited, price \$2 per cubic yard and 27 cents for other material. There was a tender of the Canadian Dredge and Construction Company for Midland Harbour.

Mr. BENNETT.—Did they tender on Tiffin and on Midland?

Mr. PRINGLE.—Where was the first work done at Tiffin?

Mr. PUGSLEY.—That must refer to the same contract. As a matter of fact, I think at that time Tiffin and Midland were one.

Mr. PTINGLE.—Where was the first work done at Tiffin?

The WITNESS.—Four or five years ago. The records should all show that.

By Mr. Stewart:

Q. I produce to you a schedule showing the tenders in the year 1907 at Victoria Harbour—The Owen Sound Dredging Company and the Windsor Dredging Company. Did you know anything of these?—A. I know of the Owen Sound Dredging Company, yes.

Mr. BENNETT.—Who else tendered on that work?

Mr. PUGSLEY.—That is, Victoria Harbour?

Mr. STEWART.—I think there is one here for Tiffin and Midland.

Mr. CARVELL.—Tiffin and Midland are both in Victoria Harbour?

Mr. PUGSLEY.—Both in Midland. Victoria Harbour is quite a distance away.

By Mr. Stewart:

Q. On the second tender, Mr Pratt, this work at Midland was tendered for as you see, by the Owen Sound Dredging Company? (witness examines document)—A. Well, this is marked 'Midland, Tiffin.' Now, where are we at?

Mr. PUGSLEY.—That corroborates what I said.

By Mr. Stewart:

Q. That is at Tiffin?—A. I do not know.

By Mr. Bennett:

Q. The witness can answer this question; Did Mackay's firm work at Tiffin or did you work there?—A. The records of the Department will show.

By Mr. Stewart:

Q. Did you do any work at Tiffin in 1907?—A. I am not positive of it.

Q. Were you working for the other company?—A. I can not tell you.

Q. Well, take that tender, that is or Midland Harbour, is it not?—A. That is marked 'Midland Harbour,' yes.

Q. Now, you had plenty of dredges there at that time, had you not?—A. Yes, we had one or two.

Q. You only made a tender on one of these works?—A. I cannot say. The secretary-treasurer who looks after that portion of the work would know. I am simply manager of operations.

Q. Don't you know that you did not tender on one of these works at that time?—A. I cannot identify this record.

Q. You did not do any work, except at one of these places? At both places, did you?—A. Possibly we did.

Q. If you cannot identify the records we will have to let that go. You were equipped to work at two different points?—A. If we had two dredges, yes.

Q. But you had?—A. In 1907?

Mr BENNETT.—The people will be reading this after, at home; and they will be smiling at some of it.

Mr. CARVELL.—That is an unwarranted aspersion upon Mr. Pratt, Mr. Bennett.

Mr. PUGSLEY—I think the Chairman ought to tackle Mr Bennett.

By Mr. Stewart:

Q. When did you make your last tender for work up there?—A. When did we make the last for what point?

Q. In either of those places?—A. Which of these places?

Q. Midland or Tiffin?—A. I do not know.

Q. Do you know that there were no tenders for the year 1908?—A. I do not know. You will have to get the records out of our books for that.

Q. Do you know that the prices were made on the basis of the prices of the previous year?—A. They were renewed; just what year they start from I do not know.

By Mr. Carvell:

Q. Do you say there were no tenders in that year?—A. I cannot say positively what year the last tenders were in.

Q. Do you remember which year was the last one in which you made a tender?—A. No tender for three years.

Q. That is 1912, 1911, 1910?

By Mr. Stewart:

Q. Did you tender in 1909?—A. I do not know. You will know if you have the tenders.

Q. There has been nobody working up there in the last few years, except your own people?—A No.

Hon. Mr. PUGSLEY.—The departmental officer, Mr. Dubé, is here. It is easy to show all this by the file.

By Mr Stewart:

Q. Now, Mr. Pratt, I produce a tender for work at Honey Harbour in 1912, signed by F. W. Grant. That is his signature? (Witness examines document)—A. Yes, that is apparently his signature there.

Q. And the figures quoted there are \$6 for rock and 32 cents other material. Are these Mr. Grant's figure?—A. I do not know, sir.

Mr. GERMAN.—You are increasing the prices in this case.

Mr. CARVELL.—Are we to be allowed to go down into the years for which the Auditor General's report has not been brought down?

The WITNESS.—I would like to; I would prefer it.

The CHAIRMAN.—We have that report brought down.

By Mr. Stewart:

Q. Now then, Mr. Pratt, you are sort of getting hazy about Mr. Grant's handwriting. We will have to get somebody to identify that.

Hon. Mr. PUGSLEY.—The witness has stated in many cases he identifies Grant's signature.

Mr. STEWART.—He had pretty well on the start. Now, Mr. Pratt, you have told us that the amalgamation of the two companies took place in 1907?—A. I do not know the exact year.

Hon. Mr. PUGSLEY.—He did not say they were amalgamated but that they were working together. That does not mean an amalgamation.

Mr. PRATT.—I do not say that we were working together. Possibly we engaged them to work for us or we for them.

By Mr. Stewart:

Q. Therefore, you were not competing against each other in 1907?—A. Not that I know of.

Q. Were you competing against each other in 1906?—A. I do not know. I want you to understand I am simply a manager of operations.

Q. Mr. Pratt, you are manager of operations. Surely you would know when these two plants were working together?—A. You are asking me to remember something that I am not positive of.

Q. Well, to the best of your recollection. If you were manager of operations of these dredges you would surely know the years you were working with the other company?—A. I cannot remember just the exact year that took place.

Q. Go back as far as you can and say when that took place?—A. I cannot give you the particulars of the working together.

Mr. GERMAIN.—Are you a shareholder of the company, Mr. Pratt? What year was it that the other company was paid?—A. I think it was the end of 1909 or the beginning of 1910.

Mr. GERMAN.—How many years before that were you working together?—A. Well, possibly three or four years but I cannot give you the particulars.

Mr. GERMAN.—That would be away back in 1906-07.

By Mr. Stewart:

Q. Who was the manager of the Owen Sound Dredging Company when you began to work together?—A. R. B. Wilkinson.

Q. And did he come to you as manager?—A. When?

Q. After you worked together?—A. Why he would be manager when their plant was working. After we purchased their plant he was not the manager.

Q. When did he leave the company?—A. A little over two years ago.

Q. What arrangement was made for his retirement?—A. We had nothing whatever to do with it.

Q. Do you know nothing about that?—A. Nothing whatever.

Mr. BENNETT.—Mr. Pratt, did I understand you to say you had been a director of the company as well as manager?—A. Yes.

Q. And you knew nothing about any arrangement with Wilkinson?—A. What have I got to do with the Owen Sound Dredging Company? We made no arrangements with Wilkinson.

By Mr. Stewart:

Q. Now, this work was paid for by scow measurement?—A. Yes, sir.

Q. Who kept particulars of the loads?—A. The government inspectors.

Q. Heney Harbour was paid for by place measurement. That was in 1912. Prior to that it was scow measurement?—A. Yes, sir.

Q. We will go back to the year 1906. Who were the inspectors then at Midland?—A. Oh, Mr. Hacker was one of them.

Q. Was Mr. Campbell an inspector?—A. Yes.

Q. Where was he an inspector?—A. At any ports where the dredges were working.

Q. And what was Mr. Campbell's business before he became an inspector?—A. He was a butcher.

Q. What did he do with the butcher business, did he continue that?—A. No.

Q. What happened?—A. I don't just remember.

Q. He was in the same town as you and yet you don't remember?—A. I don't remember, he may have quit the business.

Q. What was his name, Sylvester Campbell?—A. Yes, sir.

Q. And you knew Mr. H. J. Craig?—A. Yes, sir.

Q. A large stockholder?—A. No, sir, not very large.

Q. How much stock does he hold?

Mr. PRINGLE.—I do not think this committee has anything to do with that.

The CHAIRMAN.—I think it is enough to say he is a stockholder.

Mr. STEWART.—Now, I have a report of Bradstreet's dated September 11, 1909, and I find at Midland the record of a chattel mortgage from Sylvester Campbell to H. J. Craig for \$900. Is that Mr. Campbell the inspector?—A. I suppose so.

Q. And that is Mr. Craig your stockholder?—A. I expect so.

Q. You do not know of any other?—A. No.

Hon. Mr. PUGSLEY.—What was the date of that, Mr. Stewart?

Mr. STEWART.—September 11, 1909.

By Mr. Stewart:

Q. Now, Mr. Hacker was also an inspector. Where was he working?—A. At any of the ports where the dredges were working.

Q. What was his business?—A. A boat builder.

Q. What did he do with his business after he became a dredge inspector?—A. Why he continued it for one or two years and then he sold out.

Q. Was Mr. Hacker on the dredge as inspector all the time the work was going on?—A. So far as I know.

Q. Were you on the dredge very much?—A. Generally once a day, sometimes two or three times.

Q. Now, in some previous investigations there was some evidence to show that Mr. Hacker was not on the dredges all the time. What time do the dredges start in the morning?—A. Six o'clock.

Q. Ever as early as five o'clock?—A. Yes, we put sixteen hours a day in some times.

Q. And you only had the one shift of inspectors?—A. Yes, sir.

Q. And when you were working these sixteen hours a day were these inspectors on all the time?—A. I should think they would be.

Q. And they had to keep a record of the number of men, engineers and scows?—A. Yes.

Mr. STEWART.—I would now like to read out a portion of the Minutes of Evidence taken in Committee Room 32, House of Commons, Tuesday, March 24, 1908, and referring to Mr. Hacker:

By Mr. Sproule:

Q. Was he there at 4 o'clock in the morning?—A. I could't say. I do not think it.

Q. You do not think he was there?—A. No.

Q. But you did say, if I understand you correctly, that you have known the dredge to be working at 4 o'clock?—A. We have started at 4 o'clock and at 5 o'clock.

Q. Frequently?—A. Just for a few months in the summer season.

Q. Who would keep track of whether the scows were filled or not up till the time Hacker was there?—A. The engineer and craneman.

Q. Then it was not the government inspector?—A. No.

Mr. PRINGLE.—Now, Mr. Stewart, was not this whole matter of inspectors investigated in 1908?

Mr. STEWART. I do not think it was.

Mr. CARVELL.—I think we had all these envelopes, tenders and handwriting then.

Mr. BENNETT.—No, we didn't.

By Mr. Stewart:

Q. I am asking you, Mr. Pratt, if you have ever heard of this before? Was he there at four in the morning?—A. I could not say, I do not think it.

Q. You do not think he was there. If I understand you correctly you have known a dredge working at four o'clock in the morning?—A. We have started at four o'clock and at five o'clock frequently, just for a few months in the summer season.

Q. Who would keep track of whether the scows were filled up to the time Hacker was there?—A. The engineers and cranemen.

Q. Then it was not the government inspector?—A. No.

Q. The same thing occurred on some of your dredges, didn't it? I ask you if the condition occurred from time to time on your dredges?—A. Yes, for a short period of the season we would start early in the morning and work sixteen hours a day.

Q. And you did that during the first of the season, you said?—A. Just for a short time.

Q. What year was that?—A. That would be the first year we were in operation, either six or seven years ago.

Q. Then you did not do that last summer, 1912?—A. No, sir.

By the Chairman:

Q. You say that during the time you were working together the Department would know that the money was going to one company, because although accounts were going in for dredging from two different companies the cheque would go to one company?—A. The accounts would not go in from two companies, they would go in from one company. But the reports of the work done by the dredges would be in and the ownership of the dredges would show whether the companies worked together or not.

Q. And the Department would see whether the money was going to one company?—A. Yes.

Q. And you say you sold out in 1909 and you were doing that for four years prior thereto?—A. I cannot give you positive evidence on that.

Q. You have said that already.—A. No, I did not say that.

Q. You said that you sold out in 1909 and for four years prior to that you were working in this way.—A. You misunderstood me. We bought the other company out a little over two years ago. Before that we were working for them a portion of the time, or they were working for us.

Q. In this way?—A. Yes.

Q. I understood that you were working together?—A. Yes. We hired them or they hired us, whichever had the contract.

Q. And the cheques were going to the one company?—A. Going to the one firm.

Q. And during all the time those tenderers were supposed to be competitors, were they not?—A. I have not said that.

Q. During the time you were working together in the manner described—that is that you were working for them, or they were working for you—the accounts came from the two companies and were paid out to the one firm?—A. No, I do not say that. They came from the one company.

Q. For different dredges?—A. Yes.

Q. And that money was paid to the one company?—A. Yes.

Q. And that practice was going on for three or four years prior to the time you speak of, to the knowledge of the Department?—A. I do not say it was to the knowledge of the Department.

Q. All the tenders we have investigated here are since 1906, and they were supposed to be competitive tenders. The Department, however, knew they were not.—A. I have not said that.

By Mr. German:

Q. Let me ask you a question or so: When you say you were working together, is not this what you mean: When you got a contract—having put in a tender for certain work to be done and obtained the contract—if the Owen Sound Dredging Company's plant was not working you would hire it to assist you on the job?—A. That is it exactly.

Q. And if the Owen Sound Dredging Company put in a tender and got a contract and your plant was not working, they would hire your plant to assist them on the job?—A. Yes.

By Mr. Lalor:

Q. When you hired the dredges of the other company what price did you pay? Did they get the same price as you got?—A. I cannot answer that at all. You would have to go to our books for that.

By Mr. German:

Q. At any rate, the Department knew you were friendly and working together on the work?—A. I could not say that, Mr. German.

Q. And you were competing against one another as far as the Department was concerned, apparently?—A. I would have very little to do with the tenders.

Q. Just answer my question. As far as you know, all the tenders were put in for competitive purposes?—A. I presume so.

By Mr. Bennett:

Q. Is the Mr. Hacker who has been referred to the same Mr. Hacker who was continued in office until the change of Government?—A. There was only one Mr. Hacker.

Q. What are his initials?—A. The same as yours, Mr. Bennett, 'W. H.'

By Mr. Stewart:

Q. With further reference to what the Chairman was asking you. I understand you to say that these two companies worked together for some time previously while you were putting in competitive tenders?—A. I did not say that, sir.

Q. You are not sure of that?—A. No, sir.

Q. What other inspectors were on the work there?—A. What year?

Q. During your time.—A. There were four inspectors on during the whole of our work.

Q. Who were they?—A. Mr. Hacker, Mr. Campbell, Mr. O'Shea and Mr. Kelman.

Q. In whose employ is Mr. Hacker now?—A. I don't know.

Q. You do not know where he is?—A. No, sir.

Q. In whose employ is Mr. Campbell?—A. Not in anybody's employ.

Q. Do you know where he is?—A. In Midland.

Q. For whom is he working?—A. For some butcher; he is in the butchering business.

Q. Where is Mr. O'Shea working now?—A. He is not working anywhere just at present.

Q. Before he began to work as inspector of dredging, by whom was he employed?—A. He has been employed by different people. Part of the time he was employed by Mr. Playfair as boommaster on the French River.

Q. He is one of your stockholders?—A. Yes, sir.

Q. Who was he working for this winter?—A. Not working for anyone, to my knowledge, but during the summer he was working for Mr. Playfair on his old job.

Q. You remember about some dredging being done below the proper depth at Victoria Harbour?—A. Yes, sir.

Q. And also at Tiffin?—A. Yes, sir.

Q. In what year was that?—A. That was three years ago, I think, in 1910, in the season of 1910.

Q. And to what extent was that done, do you know?—A. It might be from one to four or five feet over grade.

Q. And was any deduction made at Victoria Harbour in respect to that going below depth?—A. Yes.

Q. Was any deduction made at Tiffin?—A. Yes, sir.

Q. When was the deduction at Victoria Harbour made?—A. Last week.

Q. And how much was deducted last week?—A. Four thousand and odd dollars. But we are not through with it yet, we are disputing that claim.

Q. You say that last week a deduction of four thousand and some odd dollars was made?—A. Yes, sir.

Q. For dredging below depth at Victoria Harbor in the year 1910?—A. The deduction has not been made but we have been advised it will be made and we have filed a defence.

Q. For what reason?—A. Well, I can explain it very fully if you will give me time.

Q. I do not want you to go into a long story.—A. I will be very brief if you will allow me.

Q. I want you to be very brief.—A. The place where the over depth occurred was at the outer end of the slip. The material was very soft and we put the dredges twice over this portion of the work. The material ran in and we did not get correct depth. I then instructed our engineers to let her down as low as they could and get the correct depth. I figured that the material would run in, but the soundings were taken soon after. We sounded with the lead line in this soft material and found it to be over depth. It was the third time the dredges had gone over that piece of work, and we had lost money.

Q. To what depth were you capable of going?—A. Thirty one to thirty two feet extreme depth.

Q. And what depth were you in?—A. Twenty six feet.

Q. There would not be very much difference in the returns from the class of material in going down two or three feet?—A. Oh, yes, there would be.

Q. How much?—A. Several cents a yard.

Q. Is there not a compensating advantage in not having to move your dredges?—A. I have told you we had to move our dredges three times over that piece of ground.

By Mr. German:

Q. You have not been paid for that work?—A. Yes, sir, we have, but they have notified us that they will deduct it out of the payments for the present year and we have got a defense. But the amount never was deducted.

By Mr. Stewart:

Q. Then no deduction has been made yet? A. No, sir, but I have an impression that it will be deducted.

Q. Do you say immediately?—A. Well, that winter the over-depth was discovered.

Q. After the ice formed and the soundings were taken?—A. Yes.

By Hon. Mr. Pugsley:

Q. That will be in the winter of 1911.

By Mr. Stewart:

Q. Of 1910-11?—A. 1911.

Mr. PRINGLE.—All these things are on file in the records?—A. Yes, but I prefer to explain all these things.

By Hon. Mr. Pugsley:

Q. Of course this is put forward as a suggestion of wrong doing?—A. Yes, that is why I have explained it to the Committee and I will explain the Tiffin over-depth as well if you want it; I am quite ready to explain it.

By Mr. Bennett:

Q. What became of the inspectors?—A. They were kept on.

Q. You say they were never suspended?—A. Yes sir, and your inspectors who made over-depths this year were not suspended.

Q. Do you say that the inspectors to your knowledge were never suspended? That you never heard of their being suspended?—A. No sir, they were not suspended.

Q. Do you say they were never suspended? Were they not suspended?—A. Yes, that is right. They were laid off work for perhaps a week, and then they were put on again; they were held off in the spring of the year, and then put on again.

Q. A little while ago you said they were not suspended.—A. Well, I had just forgotten it for a moment—I am perfectly willing to explain it, that would be in 1911 and the following spring they were not put out at the opening of navigation.

Q. How many were suspended? A. Three, two or three.

Q. Or four? A. No sir, the fourth was not suspended.

Q. Who was not suspended? A. O'Shea.

Q. What were the circumstances at the other places? A. They have deducted \$10,000 from us although the material was harder and it did not run in as we expected it would, therefore we have a defence. It was much softer at one point than at the other.

Q. In what year was his deduction made? A. The following year, 1911, and they should not have done it, because they have got value for their money.

By Mr. Stewart:

Q. Can you tell us the total amounts you have received for dredging at these points? A. Not offhand.

Q. Will the books show it? A. Yes sir, and your books will show it as well.

Q. Not necessarily, because you say the two of you were working together.

Mr. GERMAN.—That is a mistake, one company employed another when your own plant was not at work.

By Mr. Stewart:

Q. These payments were all made to one company? A. Yes.

By hon. Mr. Pugsley:

Q. In cases where any dredging company had a contract with the Government if they hired a dredge belonging to the Owen Sound or any other Company payment would be made to the contracting company? A. Yes, certainly.

Q. And the Auditor General's Report would show the amount paid to the contracting company? A. Yes, and the dredge that was working on it. We also hired one of Boone's dredges.

Q. Would it be any business of the Department's to know under what terms you had any particular dredge at work on any particular contract as long as you did your work according to the contract? A. They should have nothing to do with it.

By Mr. Stewart:

Q. What was the capital stock of this company when amalgamation took place with the new company? A. I prefer not to give you any information with regard to the general stock or the amalgamation. We will give you a man who knows the whole business and who can give you that information to the King's taste.

Q. Who is he? A. Mr. W. J. Sheppard.

Q. What position has he? A. He is a director in our company.

Q. Do you not know all about it? A. Not exactly all about it as well as the other members of the company.

Q. What dividends are you paying? A. You have no right to know that.

Mr. PRINGLE.—We are prepared to go into every detail with regard to this contract, but we are not going to submit to a fishing expedition as to affairs or individuals of this Company unless the committee says so.

A. I will give you the dividend this year if you want it.

Mr. STEWART.—If you give the dividend for one year you should give it for all.

By Mr. Bennett:

Q. Was Mr. Grant associated with the Penetanguishene Dredging Company? A. Not that I know of.

Q. You do not know? A. No, that's his business.

By Mr. Stewart:

Q. You never heard from him that he was? A. No sir.

Q. Have you any reason to believe he was associated with any company but this one, the Canadian Dredging and Construction Company?—A. No, sir.

Q. You have told us most of this material at Midland was soft?—A. Not necessarily, some of it was hard material.

Q. The greater quantity of it?—A. The larger proportion of it, yes.

By Mr. Bennett:

Q. Do you know what price had been paid the McKay Company at Midland before you tendered at 52 cents?—A. No, sir.

Q. You never inquired?—A. No, sir—I think it was by the hour, possibly, I do not know.

Q. If the record shows the company was paid 16 cents for it, would it surprise you?—A. Why that is quite easily explained, sir, there is soft and hard material in the harbour; some of it is worth 50 cents and some of it is worth 16 cents

By Mr. Stewart:

Q. The fact is you made one tender for 53 cents, and then you made a second one for 26?—A. I do not know; you showed me the figures, Mr. Grant put that in and I am not able to remember whether it was for exactly the same work. Possibly when we go back we may find out that the different figure was for a different work like it was at Midland where some was very soft and some hard.

Q. Is that your explanation of the reduction in price, that it was different work?—A. Different work, as we understood it, possibly.

Q. You are on your oath?—A. I say, on my oath.

Q. But it was given on the specifications?—A. The specifications do not give where the work is.

Q. But the plans do?—A. The plans do.

Q. And you had been working there before?—A. Possibly.

Q. You knew the ground?—A. I know the ground, yes.

Q. And your change in tender was due to a mistake in the material to be removed?—A. I do not suggest that at all, because I do not know.

Q. Have you any explanation at all?—A. No, sir.

Q. The material did not get harder between the time of making these two tenders?—A. No, sir.

By Mr. Bennett:

Q. Do you not, as a matter of fact, know, because you have a good memory?—A. Fairly good, yes.

Q. Do you not know as a matter of fact the reason that the contract was not given on these tenders when your company tendered at first? Do you not know as a matter of fact, you are on your oath?—A. No, sir, I do not.

Q. You do not?—A. No, sir.

Q. You didn't hear that a man named Stewart, of Ottawa, had tendered that year?—A. No, sir, I did not.

By Mr. Stewart:

Q. Now it appears from the schedule here that the Dominion Dredging Company of Ottawa tendered upon this work at the rate of \$2.50 for rock, and other materials .30 cents, and that the Canadian Dredging and Construction Company tendered at \$2.40 for rock and 53 cents for other material.

Hon. Mr. PUGSLEY.—Where is this?

Mr. STEWART, K.C.—Midland, the same place.

Hon. Mr. PUGSLEY.—What year?

By Mr Stewart:

Q. 1907. And the Penetang Dredging Company, \$3 and 57 cents. Now, it was after that that your company put in a lower tender, wasn't it?—A I do not know—I do not know anything about that.

Q. Did you never hear of that company tendering?—A. No, sir.

Q. You do not know the circumstances under which the price was made so much lower?—A. I naturally would know very little of them. You are asking about other tenderers

Q. But that is work in which you were interested Mr. Pratt?—A. Yes, that may be, but I do not remember all the little details at this date.

Q. Does that suggest to you any reason why you reduced the price from 53 cents to 27 cents?—A. I am not making any suggestions about it.

Q. Does that recall anything to you about it?—A. No, sir, it does not.

Hon. Mr. PUGSLEY.—It is confusing to me. Would you give the dates of these tenders are just speaking of, and then give the dates of the tenders of the Canadian Dredge Company?

Mr. STEWART.—These tenders were all for the same work. One was in May, and the other in the same month.

Hon. Mr. PUGSLEY.—How does it follow at all that the Canadian Dredge Company were informed of the tender of the Dominion Dredge Company by Mr. Stewart? Mr. Stewart is in Owen Sound. It seems to be alleged that by some means the Canadian Dredge Company got knowledge of the tender of Mr. Stewart.

An Hon. MEMBER.—There are two or three weeks difference in the time. One tender was put in—

Mr. PUGSLEY.—By whom?

An Hon. MEMBER.—By these companies. They came in at the same time.

Hon. Mr. PUGSLEY.—The Stewart Company as well.

Mr. STEWART.—On the 27th May or the 21st. The second tender came, the second tender of 1907, Owen Sound Company on the 20th May and the other on the 21st May, the date I mentioned.

Hon. Mr. PUGSLEY.—Does the record show that the Department had called for new tenders in the mean time?

Mr. STEWART.—They asked for new tenders by telegraph.

Hon. Mr. PUGSLEY.—You suggest to Mr. Pratt that the reason they put in a lower tender was that Mr. Stewart had put in a tender. Is there anything in the record to show that the Canadian Dredge Company, or any of its officers knew what this Stewart Company had tendered.

Mr. STEWART.—I would not expect that it would be on the record. I expect they would find out some other way.

Mr. CARVELL.—Here is a letter from the departmental engineer to the minister (Reads).

‘I have the honour to transmit herewith 9 tenders received upon the second call for tenders for dredging in Ontario.’

Mr. STEWART.—There are not nine tenders for that work. Some of them relate to this.

Hon. Mr. PUGSLEY.—The second call for tenders for that work.

Mr. CARVELL.—We are investigating here. I want to tell Mr. Stewart that if he is coming before this Committee he must understand we are here investigating this matter. It would be much better if he would give all the facts and not try to lead the Committee to improper conclusions from isolated facts. He cites this reduction from 53 to 27 cents and asks if the fact that a lower tender put in by this company had anything to do with it. But he withheld from the witness the vital information under his hand. Mr. Chairman, I do not want to be unpleasant to my friend, but I want to tell him I am here as a member of this Committee—

Mr. EDWARDS.—You do not understand how to be a gentleman.

Mr. CARVELL.—I want my hon. friend to withdraw that remark.

THE CHAIRMAN.—I am not the custodian of the morals of the members of this committee; but I would not say that another man was not a gentleman, no matter what I thought.

Mr. STEWART.—You say that there are nine tenders here, and these are on the second call. Now, that could not in any way suggest a reduction of the second tender made by this firm because he did not know at that time there were nine tenders that came in on the second call.

Mr. CARVELL.—You did not acquaint the witness with the fact that other tenders had been called for by telegraph.

By the Chairman:

Q. Did the fact that another man tendered have anything to do with the reduction of your tender? That is the question before the witness now.—A. Will you repeat the question?

Q. I ask you, did the fact that a much lower tender was put in by another competing company have anything to do with your reduction from 53 to 27 cents made by your company on their second tender?—A. I do not know anything about it.

Q. Did you ever head of the second tender before?—A. No.

Mr. LALOR. As a director were you not consulted as to tenders?

By Mr. Stewart:

Q. This was an important matter, reducing a tender from 53 to 27 cents. Was that not discussed with you?—A. The chances are it was. But I tell you that I am not able to explain to you why that reduction was made.

Hon. Mr. PUGSLEY.—Would not the fact that the Department declined to accept any of the tenders and called for new tenders, be evidence that the Departmental engineers regarded the tenders as too high?

Mr. BENNETT.—The Department did not decline them. Mr. Stewart withdrew from the competition, as I will prove.

By Mr. Bennett (Simcoe):

Q. Mr. Pratt, you spoke of classification of Midland—A. I prefer to answer it.

Mr. PRINGLE.—When I come to cross-examine Mr. Pratt, I intend to put in all this record. We have nothing to hide in this transaction. The transaction is as clear as noon-day.

THE CHAIRMAN.—This is a very improper way of conducting examination.

By Mr. Bennett:

Q. Mr. Pratt, who is president of this company?—A. Mr. D. L. White.

Q. Are the books under his control?—A. No, sir.

Q. Then under whose control?—A. Under the secretary treasurer's.

Q. Who is the secretary treasurer?—A. Mr. Grant.

Q. And you tell this committee that D. L. White cannot get access to these books?—A. I do not say so.

Q. Who has access to these books?—A. I do not know.

Mr. BENNETT.—Then this committee will subpoena D. L. White to be here. Mr. Pringle assured me and I communicated it to Mr. Stewart that Mr. Pratt would be here with all the books he had.

Mr. PRATT.—We shall have no hesitation in producing the books under proper authority.

Mr. BENNETT.—And you don't consider the Parliament of Canada proper authority? Who can produce these books?

Mr. PRINGLE.—Mr. Grant is the secretary treasurer and he has control of the books. You are asking who can produce them.

Mr. BENNETT.—Is there a bookkeeper with this company?—A. Mr. Grant employs a bookkeeper, Mr. Allen.

Q. Can he produce the books?—A. I do not know.

Q. Then tell me who can produce the books?—A. I am not going to tell you.

Q. Then this committee will wait till you do tell them.—A. I cannot tell you but I should presume the president could produce them.

Q. Who is the president?—A. Mr. White.

Mr. CARVELL.—I would not mind waiting a couple of weeks till Mr. Grant could be here.

Mr. BENNETT.—Will you undertake, Mr. Pringle, that White will be here with the books?

Mr. PRINGLE.—No, I will say that the moment Mr. Grant can leave the hospital and travel he will appear as secretary treasurer, with the books of the company.

Mr. BENNETT.—We will have White first.

A MEMBER.—What position does Grant occupy?

Mr. PRATT.—Secretary treasurer.

Q. Who is the bookkeeper?—A. Mr. Grant is the bookkeeper and engages a man under him.

Q. Does Mr. Grant do the detail work?—A. No.

Q. Then who does the detail work?—A. Mr. Allen.

Committee adjourned.

EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

DREDGING IN MIDLAND, TIFFIN AND VICTORIA HARBOURS

No. 2—JANUARY 23, 1913



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1913

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

ROOM No. 101,

THURSDAY, January 23, 1913.

The Select Standing Committee on Public Accounts met at 10.30 a.m., the Chairman, Mr. Middlebro, presiding.

The Committee proceeded to the further consideration of a payment of \$255,509.41 in connection with dredging at Tiffin, Ontario, and Victoria Harbour, Ontario, as set out at page V-36 of Report of the Auditor General for the year ending March 31, 1912.

Mr. D. S. PRATT.—Recalled.

By Mr. Stewart:

Q. Now, Mr. Pratt, we will go on a little further with reference to these inspectors. You have told us that there were four of them on this work at different points?—A. Yes.

Q. And were they all residents of Midland prior to the date of their appointment?—A. Yes, sir.

Q. How long had you known them?—A. Why quite a number of years.

Q. Do you know upon whose recommendation they were appointed?—A. I would suppose on the recommendation of the defeated candidate or the local member.

Q. Who would that be?—A. Why I just forget who was the candidate.

By Mr. Bennett:

Q. Mr. Gunn, who has been Judge for a good many years.—A. Judge Gunn, possibly, or the local candidate. I don't know.

By Mr. Stewart:

Q. Do you know who were the people who were on the Local Committee for that locality?—A. I don't know.

Q. You have told us that Messrs. Playfair, White and Grant were stockholders in your Company?—A. Yes.

Q. They were also prominent in the Liberal Party, were they not?—A. Yes.

Q. They were officials, were they not?—A. In what?

Q. In that party?—A. Not that I know of, sir.

Q. But you say they were prominent?—A. They were prominent politicians, yes.

Q. Were they upon this Local Committee?—A. I don't know, sir.

Q. Were any of them on it?—A. I don't know.

Q. Did you ever hear that?—A. No, sir.

Q. You never had any knowledge of that?—A. No, sir.

Q. Now the classification of material is left entirely to the local inspector, isn't it?—A. Not necessarily, no, sir.

Q. Well, who else is there to take it?—A. Why, there would be an engineer of the Public Works Department.

Q. Is he there on the ground to check the material as it goes out in the scows?—A. Yes, sir.

Q. All the time?—A. Yes, sir.

Q. Has that been the case since this work commenced?—A. It has been the case for the last two or three years in any event.

Q. And prior to that was there a resident engineer there?—A. I think possibly three years before that there was not a resident engineer.

Q. And in the absence of a resident engineer upon whom would the classification of the material as it went out depend?—A. It would depend on the inspectors almost entirely, and on the periodical visit of an engineer from Toronto.

Q. Now you have told us that one of these inspectors was under a chattel mortgage to one of your stockholders?—A. I did not tell you anything of the kind.

Q. You admitted it when I produced the statement yesterday.—A. I do not know anything of the kind. You have taken that from Dun's Report.

Q. Have you any doubt about that?—A. It is not necessary to doubt it or confirm. You have it there and you told me.

Q. You do not doubt it?—A. I do not doubt it at all.

Q. You know he is employed by one of your stockholders?—A. Yes, sir.

Q. Was more than one of the inspectors employed by your stockholders?—A. I do not think so.

Q. Did you ever hear of the appointment of any of these inspectors discussed with Mr. Grant?—A. No, sir.

Q. Did you ever discuss it with him?—A. No, sir.

Q. Did he ever discuss it with you?—A. No, sir.

Q. Did you ever hear it discussed with any person?—A. No, sir.

Q. Have you ever heard it publicly alleged in your neighbourhood that there was collusion in the matter of these tenders?—A. Why, nothing whatever, except from the present member.

Q. How long ago did you hear that?

By Mr. Kyte:

Q. Who is the member for the riding?—A. W. H. Bennett.

By Mr. Stewart:

Q. How long ago was that, Mr. Pratt?—A. Why I would suppose during the last election particularly.

Q. Was that the first you ever heard of it?—A. No. Possibly I have heard it before on the platform.

Q. And having heard it on the platform did you ever discuss the matter with Mr. Grant?—A. Why no. I would have very little to do with it—if there was any collusion or attempted collusion.

Q. Well would you not as a stockholder and as manager be interested in that?—A. Not in those days. Five or six years ago I did not have the active management I have got now.

Q. Well at any time did you ever discuss it with Mr. Grant?—A. Not that I remember of.

Q. You are Manager and Director?—A. Yes, sir.

Q. To what extent have you been consulted in the determination of the prices to be put in these tenders.—A. I was not consulted to any great extent except during the last three years.

Q. And during those years to what extent have you been consulted?—A. I have had entire charge of the operation.

Q. Did you make any reports in writing upon which those tenders might be based?—A. No, sir.

Q. Did you make any verbal reports upon which they might be based?—A. Any tenders that have gone in during the last three years have been put in by myself, or at least I produced the figures for them.

Q. There have been no tenders in the last three years, but there have been renewals of the contract?—A. Yes, there have.

Q. On the work up there?—A. Yes, there were tenders last year.

Q. For what?—A. Honey Harbour.

Q. I mean Midland, Tiffin or Victoria Harbour?—A. There was for Midland but not for Tiffin.

Q. How many tenders were put in during the last two or three years?—A. We put in three that I know of.

Q. For what localities were they?—A. They were in front of the Midland Elevator, which was awarded without tenders, but prices submitted; in front of the Canada Iron Furnaces' docks at Midland, and at Honey Harbour.

By Mr. Carvell:

Q. The contract was awarded to your Company without tenders?—A. For a small portion of the work,—about 18,000 yards in front of the Midland Elevator.

By Mr. Bennett:

Q. The Honey Harbour contract was let by tenders?—A. Yes, certainly.

Q. You were the only tenderer and the Department thought it was reasonable?—A. Yes, sir.

By Mr. Stewart:

Q. And you got the work. Now, who furnished the figures upon which these tenders were based?—A. Why possibly Mr. Grant and Mr. White. He may have been consulted in it. But I cannot remember at this date.

Q. You were the practical man, were you not?—A. That is what you have told us. You knew the work you were tendering on?—A. Yes, naturally.

Q. You were familiar with that?—A. Yes, sir.

Q. What is Mr. Grant's occupation?—A. He is a lawyer.

Q. And what is Mr. Playfair?—A. He is a lumberman.

Q. And Mr. White?—A. He is a lumberman.

Q. What was your occupation prior to the time you went into this dredging work?—A. Oh, I have got two or three lines of occupation going on up there—contracting business, coal business, etc.

Q. Had you any experience in dredging work prior to this work that you took up there?—A. No, sir. I had to learn the business.

MR. CARVELL.—You have learned the business pretty well, I think.

THE WITNESS.—Yes, sir.

MR. STEWART.—Some features of it they know very well indeed, Mr. Carvell, and they have been very successful too.

By Mr. Stewart:

Q. Mr. Pratt, do you know Henry Shaughnessy?—A. Yes, Harry Shaughnessy.

Q. I suppose his proper name is Henry?—A. They call him Harry. So he signs.

Q. Was he formerly employed by Playfair & White?—A. Yes, sir.

Q. Where is he working now?—A. Why he is in Midland at present.

Q. Do you know whether he was employed with the Continental Dredging Company or not?—A. Yes.

Q. When?—A. During the last three years.

Q. And when did he come back to Midland?—A. He came back to Midland when navigation closed.

Q. Now, Mr. Pratt, I produce to you a tender in connection with certain work at Honey Harbour in the year 1912, signed by the Canadian Dredging and Construction Company, Limited, F. W. Grant, secretary-treasurer. You recognize that as Mr. Grant's handwriting (exhibiting document to witness)?—A. (After examining document) I would think it is.

Q. Have you any doubt about it?—A. There does not appear to be any.

Q. And you got that work, or rather, your firm?—A. Yes, sir.

Q. Now, I produce also the envelope attached to that tender, addressed to the Secretary of the Department of Public Works, Ottawa, "a tender for dredging," endorsed across the end of it. Whose writing is that?—A. I suppose it is Mr. Grant's. I am not positive enough to identify it.

Q. Have you any doubt about it?—A. I am not going to indentify Mr. Grant's handwriting when he will be here later himself to identify it.

Q. I am going to press you a little on that. Have you any doubt about that being Mr. Grant's handwriting?—A. I don't know that I have to say whether it is or is not.

Q. You will have to answer that question, I think.

THE CHAIRMAN: He has no doubt about it.

By Mr. Stewart:

Q. Now Mr. Pratt, I produce to you a tender of the Continental Dredging and Construction Company, Limited, for the work in the Province of Quebec on the Saguenay River in the year 1911, and I show you some figures in it: \$2.50 for rock and 35 cents for other material. Do you know whose figures those are?—A. No, sir.

Q. Could you tell whether they are Mr. Grant's or not?—A. No, sir.

Q. Will you swear they are not?—A. Not for a minute would I swear.

Q. You do not know?—A. I refuse to answer.

Q. Now I produce to you the envelope accompanying that tender, addressed to the Secretary of the Department of Public Works, Ottawa, a tender for dredging in Quebec, and I ask you whose handwriting that is?—A. I do not know whether that envelope is with the tender or not.

Q. Never mind, I ask you whose handwriting it is?—A. I am not going to identify Mr. Grant's handwriting.

Q. Then you think that it is Mr. Grant's?—A. What I think doesn't matter.

Q. I ask you whose do you think it is?—A. I am not going to tell you what I think.

Q. Why not?—A. I say what counts is what I say, not what I think.

Q. Will you look at these two envelopes one minute, Mr. Pratt. You have said there is no doubt about it.—A. No, I did not.

Q. Now look at them both together, side by side, and I want you to tell me whether this second one is not, in your opinion, in the handwriting of Mr. Grant.—A. Well, I must refuse to give you my opinion on that.

Q. They are not exactly the same?—A. I prefer not to answer that question.

Q. Why do you prefer not?—A. Mr. Grant will be here to identify that himself.

Q. I want you to identify it if you can?—A. I prefer not.

Q. Why do you prefer not?—A. I don't want to make any mistake about it. I cannot be absolutely positive about it.

Q. Just look at these two envelopes, Mr. Pratt. They look very much alike, don't they?—A. I have answered that question.

Q. Come, give me an answer. Do they look very much alike?

By the Chairman:

Q. If that envelope came addressed to you at your office in Midland, would you think it was Mr. Grant's handwriting?—A. I would not like to say that. You should put a handwriting expert on that.

By Mr. Stewart:

Q. But you can tell me whether they look alike?—A. I prefer not to.

Q. Why not?—A. I have told you once.

Q. Don't they look very much alike?

By the Chairman:

Q. Anybody looking at that and the other envelope would say they were in the same handwriting. Do you not think they look alike, Mr. Pratt?—A. What they look like is not evidence.

Q. Answer the question?—A. I want to give positive evidence.

By Mr. Stewart:

Q. Will you answer that question to the best of your ability, do these two envelopes look very much alike?—A. It does not matter what they look like, its what they are.

Q. Look at them, please (exhibiting them to witness).—A. I have looked at them.

Q. Don't they look very much alike?—A. I am not going to tell you whether they do or not.

Q. But looking at these two, what is your opinion?—A. You are asking me for an opinion.

Q. I am asking you to look at these envelopes and say whether they look alike.—A. I have answered that.

Q. What is your answer?—A. That I don't want to give any opinion on it.

MR PRINGLE: I think it is an elementary principle that a witness can speak to a fact but if you want expert testimony, then call experts and let them give their opinion.

The CHAIRMAN.—A man who is a director in the same company as Mr. Grant could surely have no doubt about his handwriting.

Mr. CARVELL: That is not a fair assumption. Let us see where it lands us. What do you think of a judge who hands out that what a witness says is not true? That is the position of the witness. This man comes here and is entitled to proper treatment, and I don't think the Chairman has any right to speak like he did and accuse him of perjuring himself.

The CHAIRMAN: You sit down. I will speak when I want to.

Mr. CARVELL: So will I.

The CHAIRMAN: Sit down now, I am Chairman of this Committee.

Mr. CARVELL: If you call me to order I will sit down.

The CHAIRMAN: I call you to order. As long as I am Chairman of this Committee, I am going to try and conduct it properly.

Mr. CARVELL: And when you do we won't have any trouble.

The CHAIRMAN: We know that a man who has been in the same company as Mr. Grant, sitting at the same board of directors—a man in the position of the witness here, can say whether or not these are the same handwriting, but he does not need to say if he doesn't like. That is my point.

Mr. CARVELL: That was not your point at all. The witness is not compelled to answer that question, and I say that this Chairman has no right to insinuate that the witness is perjuring himself. I am only addressing my remarks to the Chairman. This witness has come here and is subject to the rules of this committee, but he is not compelled to answer on a matter of opinion such as this handwriting, and I say the Chairman of this committee had no right to speak as he did.

The CHAIRMAN: You have no right to make any remark of that kind. I said he could say whether, in his opinion, they were the same handwriting. He has got to make an answer of some kind, he cannot sit there and say nothing at all.

Mr. GERMAN: I don't think he should be asked his opinion. He should be asked to state a fact: Do these handwritings look alike? Now, he could say: They look alike, or, they don't look alike. That is all there is to it, and that's a fact, not an opinion at all, for they look alike or they don't look alike. Let him answer the question: Do they look alike? It does not bind anybody. If it bound Mr. Grant or anybody else it would be a different thing, but what he may say will bind no one.

By Mr. Stewart :

Q. I ask you to say whether these two envelopes look alike? A. If I have any legal right to say that I have nothing to do with that, I want to claim that right.

By the Chairman :

Q. You are asked whether, in your opinion, those addresses look alike?—A. I would prefer not to give that opinion.

Q. You have to give that opinion.

By Mr. Pringle :

Q. This is the way the question is put now: Do those handwritings look alike? You say yes or no, whatever you like? A. I cannot say.

Mr. CARVELL: I——

Mr. STEWART: We would make better progress if you would allow Mr. Pringle to take charge of his own client.

Mr. CARVELL: Let Mr. Stewart not get away from the fact that Mr. Carvell has a right on this Committee, and I am going to ask questions when I want to.

The CHAIRMAN: He had a perfect right to do so.

By Mr STEWART: (Indicating envelopes)

Q. Do they look alike? A. There is an appearance of them being alike, yes.

Q. Mr. Grant was not, so far as you know, connected in any way with the Continental Dredging Company? A. I think he is.

Q. How? A. Why, possibly he is a stockholder.

Q. I asked you if you knew of him having any association with any other dredging company, yesterday, and you said no. What makes you think Mr. Grant is a stockholder in the Continental Dredging Company? A. It was a mistake; I did not intend to mislead you in any way.

Q. Is he a stockholder? A. Yes, sir.

Q. To what extent? A. You have no right to know that.

Mr. PRINGLE: Is that really pertinent?

Mr. CHAIRMAN: The answer of the witness is sufficient.

By Mr. Stewart :

Q. Is he an official?—A. I am not positive as to that.

Q. You never did any work down there in the Province of Quebec?—A. Who do mean?

Q. Your Company?—A. The Canadian Dredge Company,—no, sir.

Q. Well, you are the manager of operation, did you ever go down and figure on any work in the Province of Quebec?—A. Yes, sir, a couple of years ago.

Q. What year would you say that was you made a survey of the work?—A. I did not make any survey of work; I made several trips down to the Province of Quebec.

Q. Was it in connection with dredging done on the Saguenay?

By an Hon. Member :

Q. Do you know the other stockholders in the Continental?—A. Some of them, yes.

Q. Tell us who they are.—A. Mr. C. J. Smith, several Midland parties.

Q. Who else?—A. I prefer not to give you all the stockholders; I am a stockholder myself.

MR CARVELL: The witness does not need to give this information. We are not investigating the Continental Dredge Company, we are investigating the dredging at Midland and Tiffin. There must be a line drawn somewhere.

The CHAIRMAN: The situation is that they are all members of the different companies although they are supposed to be putting in competitive tenders.

Mr. CARVELL: If these contracts were being made without tenders, we can understand that might be an element. But any man in the world who had a dredge in Canada had a right to tender upon that contract. Suppose they were all together, what is the difference? You do not realize what precedents you are creating for us next year, Mr. Chairman, and you will be just the man to go back on them.

The CHAIRMAN.—I hope I will disillusionize you on that before we get through. I will allow the other side to do just the same as I am doing now.

Mr. CARVELL: We are delighted to have that declaration.

By Mr. Stewart:

Q. I am going to give you some figures of expenditures at these different points, and see if you can verify them. I have a return here showing that the expenditure at Midland, from the year 1906 to the current year, is \$125,738.64. Do you know how much of that you got?—A. For six years, from 1906 up to the present?

Q. Yes.—A. In Midland Harbour, or Tiffin?

Q. This is Midland, and I am coming to Tiffin after.—A. I cannot tell you anything about those figures.

Q. Then we will come to Tiffin. We find that in the same period the expenditure was \$701,581.58?—A. Yes, sir.

Q. You think that is about right?—A. I think it is about correct.

Q. Your books would show what portion of that your Company got?—A. Yes, sir.

Q. At Victoria Harbour, we find the total expenditure in the same period to be \$894,017.81.—A. Yes, sir.

Q. What Companies have done all the work at these three points?—A. Our Company and the Owen Sound Dredging Company.

Q. And the total expenditure there is \$1,721,000?—A. I cannot tell you about that.

Q. Your books would show how much of that your Company got, and would show your dealings with the Owen Sound Company and what they got?—A. Yes, sir.

Q. Have you taken any steps towards getting your books down here, Mr. Pratt?—A. No, sir.

Q. Why?—A. I have nothing to do with the books, sir.

Q. When did you see the books last?—A. Perhaps last week, possibly.

Q. Where did you see them?—A. In Mr. Grant's office.

Q. You have no doubt that they are there still?—A. Yes, sir.

Q. Is that the last time you had access to them?—A. At the annual meeting, Tuesday.

Q. You said yesterday, you would not mind giving us the dividends for this year?—A. Ten per cent.

Q. And the year before?—A. Ten per cent.

Q. And the year before that?—A. I cannot tell you offhand; I think our years have averaged about the same, including last year.

Q. Now this dredging below depth that we referred to yesterday, you say you went over some of the ground three times, will you tell the Committee where the section was you went over three times?—A. It would be at the outer end of the slip, both at Tiffin and at Victoria Harbour.

Q. Why did you go over it three times?—A. The material kept running in, and there was a space 100 feet wide by 600 or 700 feet long approximately.

Q. In what year did you go over that three times?—A. A portion of it in 1909 and the balance in 1910.

Q. What time in 1910?—A. The fall of the year.

Q. Now this deduction was reported in the year 1910-11?—A. It was reported in the following year.

Q. Did you know that the inspectors were discharged through that over-dredging?—A. No; they were not put to work, that is all.

Q. Who was doing the work then?—A. It was in charge of a man from Toronto.

Q. Why was he sent down?—A. The matter was adjusted and the inspectors were then put to work.

Q. On whose recommendation?—A. I could not say, sir.

Q. Was that discussed with Mr. Grant and yourself?—A. Not that I remember of.

Q. Was it not found that the inspectors had given the order to have this dredging done below depth?—A. No, sir.

Q. Well, we will see later about that. And were conditions in both places where dredging was below depth the same?—A. Not quite, sir.

Q. What was the difference between the two?—A. Well at Tiffin there was a little more clay in it, the material was a little less soft.

Q. Not so likely to fill in was it?—A. Not quite.

Q. Between what dates can you say you went over this ground three times?—A. No, I can't give you the dates here.

Q. Did you make any report of it to the Engineer or to the Department, about going over it three times?—A. No, sir.

Mr. STEWART.—I think that is all, Mr. Pratt.

By Mr. Pringle:

Q. Now, Mr. Pratt I would like to just explain this situation. To start with there are the harbours of Midland, Tiffin and Victoria?—A. Yes, sir.

Q. The Grand Trunk Railway have a large elevator as I understand it at Tiffin Harbour?—A. Yes, sir.

Q. The Canadian Pacific Railway have built a large elevator at Victoria Harbour?—A. Or now Port McNichol, yes.

Q. It is called Port McNichol now, and in consequence it became necessary to do considerable dredging in order to make these elevators available?—A. Yes, sir.

Q. Now the first work in Midland Harbour was in the year 1906?—A. I should say so, yes, sir.

Q. And the tenders were called for and there was a large number of tenders put in—without going into them all there were Wendell, the Canadian Dredging & Construction Co., the Dominion Dredging Co. and others tendered for this work?—A. Yes, but naturally I do not know anything much about that in those days.

Q. Was the contract let in 1906 to your firm?—A. I do not remember just at present; the record will show that.

Q. Well, I find that your tender or cheque for your tender was returned?—A. In what year?

Q. In 1906?—A. Possibly, yes.

Q. Therefore you cannot speak from your own knowledge of whether the contract was made on these tenders in 1906?—A. No sir, I would not care to.

Q. Now coming up to 1908, and I want to be as brief as possible. I find the tenders were called for again?—A. Yes, sir.

Q. And the Canadian Dredging & Construction Company tendered for the work?—A. Yes, sir.

Q. And that tender of yours was accepted as shown by the documents on file here.

Mr. CARVELL.—Was it not that the tender of 1906 or 1908 was not accepted and they were requested to submit a new tender—the offer was not accepted.

Mr. PRINGLE.—I think it was 1907—A. I think it was 1907 or 1908.

Q. Now then the item that we are dealing with Mr. Pratt according to the Minutes of the Committee is the item called V-36?—A. Yes, sir.

Q. That is the account of \$105,525.65?—A. Yes, sir.

Q. Now I find a report of the Chief Engineer recommending the contract?—A. Yes, sir.

Q. And on the file of the Auditor General I find a tender for this work was put in by the Canadian Dredging & Construction Company and the contract was let, the contract being dated 4th August 1908.

Mr. GERMAN.—How many tenders were there?

Mr. PRINGLE.—I cannot tell you that until I go over this file to which I only had access this morning; but they were called for in the regular way and this was the one accepted.

By Mr. Pringle:

Q. Now under the terms of the contract I wish to show the conditions; that work was to be in charge of the Chief Engineer?—A. Yes, sir.

Q. Now with respect to what has been said here in regard to the inspectors?—A. Yes, sir.

Q. Had you anything whatever to do with these inspectors?—A. Nothing whatever.

Q. I find attached to this file which we might call the Auditor General's Report for 1911-12, V-36, a sworn statement from each and every inspector in regard to the quantities?—A. Yes, sir, and in addition there is the sworn statement of the Dredge Engineer.

Q. And in addition to that a sworn statement of the Dredging Engineer?—A. Yes, sir.

Q. I find also in the report of the Auditor General, in addition to that, the report of Mr. Sing, the District Engineer, in regard to having an engineer on the ground continuously?—A. During the last two or three years. Yes, sir.

Q. During the last two or three years?—A. Yes, sir.

Q. Was there an engineer of the Department on the work continuously during the last two or three years?—A. Yes, sir.

Q. Covering this payment of \$105, 000 that we are investigating?—A. Yes, sir.

Q. Now a great deal has been said in regard to going below grade?—A. Yes, sir.

Q. And I think you have given a very clear explanation of that. I find in the contract itself that there is an allowance for a certain amount below grade?—A. One foot, sir, formerly there was an allowance of two feet.

Q. Formerly two feet but now it is one?—A. Notwithstanding you did go below grade; did that fill in owing to the subsidence of the sides of the excavation?—A. It filled in twice which made it necessary to go over it the third time.

Q. And it was gone over at the request and by the direction of the Engineer?—A. Yes sir.

Q. The District Engineer?—A. Yes sir, under our general directions to make grade.

Q. And that has been a bone of contention with the Department and is not finally settled at the present time?—A. No, sir, it has not.

Q. And I find that Mr. Sing made a reference to that in his report of 28th March, 1911, he says:

"You will notice that the contractors have, in some places, dredged below grade. Their attention was called to this and they claim it was done entirely unintentionally and have stated to me that they are willing to remove a quantity equivalent to the excess at this place free of cost to the Department.

The depth to which they were instructed to dredge was 25 feet below a plane that is 380 feet above sea level at New York and I allowed two feet for subgrade in this soft material and one foot in the rock."

A. What is the date of that letter?

Q. March 28, 1911. He goes on in that report to say:

"The excess quantity amounts to 27,529.6 c. yds. in situ, to which one third must be added for scow measure. I may say that the excess is all of the 'other materials' for which the contract price is 29 cents per c. yd. scow measure."

Then he goes on to say:

"Owing to the rapidity with which the water in the Georgian Bay is receding, I have come to the conclusion that the datum plane to which dredging in all ports on the Georgian Bay should be referred is 578.5 above sea level at New York; this being the plane for the proposed Georgian Bay Canal, and if same is adopted the excess quantity amounts to 11,805.3 cubic yards in situ, or 15,740 cubic yards scow measure.

In the event of the contractors now taking out the excess quantity, I would recommend the deduction of 11,805.3 cubic yards in situ."

Now, as a matter of fact, under the terms of your contract these matters are entirely in the hands of the Chief Engineer?—A. Yes, sir.

Q. I will read you, if necessary, that section of the contract which makes the Engineer the sole authority in all matters of dispute between you, and the Engineer is the party who has been dealing with these matters?—A. Yes, sir.

Q. Now this transaction concerning this \$105,525.65 being V—36 of the Auditor General's Report has been all closed up?—A. What year is that? 1911?

Q. 1911-12?—A. There is still a drawback of \$8,000 odd held back at Tiffin. We were not paid for all the work.

Q. You have not been paid for all the work as yet?—A. No, sir.

Q. Now the inspectors were as suggested here—S. Campbell, W. H. Hacker, J. L. Kelman?—A. Yes, sir.

Q. And you had nothing to do with them either directly or indirectly?—A. No, sir.

Q. The whole work was under the charge of the Chief Engineer. Mr. Sing was the District Engineer, and there was a man appointed by him who was on the ground nearly all the time during the last two or three years?—A. Yes.

Q. There has been an insinuation in regard to collusion in connection with these contracts. Do you know of any such thing as collusion in connection with them?—A. No, Sir, not for one minute. Naturally I would not know very much about that, if there was such a thing, because I had charge of the operation only.

Q. Something has been said also in regard to your buying out the Owen Sound Dredging Company?—A. Yes.

Q. Who is the man who looks after the heavier financial end of this Company?—A. It is in charge of an Executive Committee.

Q. Who are the men on that Executive Committee?—A. Mr. Playfair, Mr. White, myself and Mr. Sheppard.

Q. And did Mr. Sheppard take a prominent part in regard to the negotiating of the purchase of the Owen Sound Dredging Company?—A. Yes, sir.

Q. Mr. Sheppard can be brought here?—A. Yes, sir.

Q. And can Mr. Sheppard give us full information in regard to the buying out of the Owen Sound Dredging Company?—A. Yes, sir.

Q. In regard to the prices for the work, are they reasonable prices?—A. Yes, I consider some of them reasonable. Some of them are a little too cheap.

Q. I understand one of them is a losing price, I forget which harbour that is?—A. Yes, sir.

Q. Is that Victoria Harbour?—A. No, sir. That was Midland Harbour in front of the Iron Furnace Company's dock.

Q. You put your tender a little too low there and could not make good on the prices you put in?—A. No, sir.

Q. Something has been said about the ten per cent rate of dividend?—A. Yes, sir.

Q. Is there a floating proposition on the Lakes that pays any less than ten per cent dividend that you know of?—A. I know some that have paid larger dividends than we have.

Q. Larger dividends than you pay?—A. Yes.

Q. What is the total capitalization of your Company?—A. \$607,000.

Q. And you have a very large plant?—A. The valuation of our plant is about \$850,000.

Q. And the business is more or less a hazardous business?—A. Yes.

Q. And as yet you have not written off very much for depreciation of your plant?
A. Not except this year.

Q. Something was written off this year. These prices for dredging were obtained in competition?—A. Yes, I suppose so.

Q. In competition with other companies?—A. As far as I know.

Q. Your attention was called to the add which has been filed calling for tenders?
—A. Yes, sir.

Q. And your prices were lower than the prices of anybody else tendering?—A. Yes, sir.

Mr. PRINGLE.—I do not care to detain the committee by going back to 1907-8.

Mr. CARVELL.—Do not do it, because I may tell you Mr. Pringle, that we spent a week on this investigation in 1908; it is all on the records.

Mr. BENNETT.—This investigation has never been undertaken by the Committee before, I am assure you of that.

Mr. GERMAN.—Mr. Stewart has been allowed to go into all that. It is before the committee to consider that. I would like to know how many bids were put in.

Mr. PRINGLE.—In 1907?—Mr. Stewart can tell us.

Mr. STEWART.—I can get the information for you.

By Mr. Bennett:

Q. Before these inspectors—Kelman, Hacker, Campbell and O'Shea—were appointed, have you ever heard from anybody, directly or indirectly, that they were to be appointed?—A. Why, Mr. Bennett, I had nothing to do, or would not be consulted for one minute.

Q. I did not ask you whether you were consulted. I ask you now, pledging your oath, whether before Hacker, Campbell, O'Shea and Kelman were appointed, you had ever heard the name of any single one of them as likely to be appointed Inspector.
—A. Mr. Bennett, Mr. Hacker was inspector before I had anything to do with the dredging business.

Q. And as to O'Shea, Campbell and Kelman, you never heard their names mentioned as the men who were to be appointed inspectors?—A. Not that I remember of.

Q. Now I have got you tied to that.—A. All right.

Q. You say that you never heard their names mentioned?—A. I say as far as I remember.

Q. From whom did you hear it?—A. I did not hear it from any one.

Q. Mr. Grant is Secretary Treasurer of the Liberal Association of Midland?—A. I think he is at present, yes.

Q. Is he or is he not? You know whether he is or not.—A. Suppose I say, yes.

Q. You are doing the swearing, I am not. Is Mr. White the President?—A. I think so, yes.

Q. Of course you know.—A. All right.

Q. You pledge your oath you had never heard the names of any of these three men that were going to be appointed inspectors. Do you want that statement to go out into the town?—A. Yes, Mr. Bennett.

Q. That you had never heard their names?—A. I am prepared to have that go out in your town, sir.

Q. That you had never heard that these men were going to be appointed inspectors.
—A. Yes, sir. Right in your town. The people will believe me as far as they will you, sir.

Mr. PRINGLE.—I have here the following tenders for work at Midland: Canadian Dredging & Construction Company, \$2.25, 26 cents; R. MacDonald—I do not know MacDonald's price for rock was—

Mr. STEWART.—He had no price for rock.

Mr. GERMAN.—But he put in a tender?

Mr. PRINGLE.—Yes, 33 cents for earth, but nothing for rock.

By Mr. Pringle:

Q. The next tenderer was R. Weddell?—A. Yes, sir.

Q. I suppose that was Weddell of Trenton?—A. Yes, sir.

Q. "\$2.50 for rock, and 33 cents for earth"?—A. Yes, sir.

Q. Your tender was, however, the lowest?—A. Yes, sir.

Q. \$2.25 for rock, and 26 cents for earth.

By Mr. German:

Q. Are these tenders for work, the payment of which is under discussion?—A. No.

Q. R. MacDonald is Randolph MacDonald, of Toronto?—A. Yes, sir.

Mr. PRINGLE.—The contract shows exactly what these figures were, and we will see if they agree.

Q. These are \$2.25, as I understand it, and 29c.? A. For the present work, yes.

Q. Was there a contract let in 1907 on these prices? A. I cannot remember, the records would have to show that, sir.

Q. I would say this, Mr. Pratt. Here is the engineer's letter of May 22, 1907, to the Department of Public Works, in which he says:

"Sir,—

I have the honour to transmit herewith 9 tenders received upon the second call for tenders for dredging in Ontario; also letters from Messrs. Manley & Co., declining the work at Toronto, and from Mr. W. E. Phinn, declining the dredging at Rondeau, Port Stanley and Port Burwell.

I also enclose a schedule of the tenders received, which schedule bears the initials of the Hon. the Acting Minister, in connection with the works at Midland, Midland (Tiffin) and Toronto. I am, however, under instructions from the Hon. the Acting Minister to withhold the awarding of the Toronto work to the Windsor Dredging Co., until I hear from this company, whether or not they will be willing to accept the works at Port Burwell and Rondeau, at the prices (14c. per c.y.) of the first tender.

I have informed the Canadian Dredge Construction Co., of the acceptance of their tender for Midland, and the Owen Sound Dredge & Construction Co., in connection with the work at Midland (Tiffin).

I have the honour to be, sir,

Your obedient servant,

"EUGENE D. LAFLEUR,"

Chief Engineer.

Mr. PRINGLE: The price at that time was \$2.25 for rock and 26c. for excavation.

Mr. GERMAN: In 1907 who were the tenderers?

Mr. PRINGLE.—The Canadian Dredge & Construction Co., Randolph Macdonald of Toronto and Robert Weddell. That is for Midland. For Tiffin there was the Owen Sound Dredge & Construction Co., Randolph Macdonald of Toronto and Robert Weddell. That is for Tiffin, and their prices were practically the same, \$2.50 and 31c.

Mr. GERMAN: Who was the lowest tenderer?

Mr. PRINGLE: The Owen Sound Dredging Company.

Mr. GERMAN: And they got the contract?

Mr. PRINGLE.—Yes. Then for Port Burwell there was the Windsor Dredging Company, R. Macdonald, Frank Simpson and R. Weddell.

Mr. GERMAN: What happened in 1908?

Mr. PRINGLE: I will get the tenderers as quickly as I can. In 1908 it would appear that a tender was put in by the Canadian Dredging Co., at the following prices: \$2.25 for rock and 29c. for other material, an increase of 3c. from the previous year.

Mr. GERMAN: What other tenders were there?

Mr. PRINGLE: I have not the 1908 file. All I can say is that the chief engineer recommended—

Mr. GERMAN: Never mind, let's get the file if it is there.

Mr. PRINGLE: Well, I am inclined to think there was only one tender. The work was advertised for on April 23, 1908, giving the particulars, specifications and so on, and stating that it should be accompanied with the usual accepted cheque, and that the department does not bind itself to accept the lowest or any tender. It would appear that there was only one tender, so far as I can see from this file.

Mr. KYTE: How long did the advertisement run?

Mr. PRINGLE: I suppose the usual time, three or four weeks. I will come to the chief engineer's report now. ?

Mr. STEWART: Would you give us the prices of the tender in that year?

Mr. PRINGLE: \$2.25 for rock boulders and so on, and 29c for other material.

Mr. STEWART: What company was that?

Mr. PRINGLE: The Canadian Dredging & Construction Company, Midland, Ont. For Victoria Harbour the tender was a little different, \$2.25 for rock and 12½c. for other material. That is the one on which they lost money.

Mr. STEWART: I did not understand they lost money on that tender.

Mr. BENNETT: That is Mr. Pringle's evidence.

Mr. PRATT: We did not lose any money at Victoria Harbour.

Mr. BENNETT: It would be very sad if they did.

Mr. PRINGLE: I might put this letter on record from the Secretary of the Department of Public Works to the Law Clerk, dated April 25, 1908:—

' Dear Sir :

I enclose a copy of the advertisement slip for dredging at Tiffin and Victoria, Ontario. You will please note that a special clause will have to be inserted in the contracts for places as the department reserves the right to have the dredging performed to a depth of twenty-five feet if necessary. You will also notice that the dredging in the channels leading to the elevators must be completed on or before October 1, 1908.

Your obedient servant,

" F. GELINAS."

Mr. PRINGLE: Now the Secretary sent his report to the Minister for the appropriation dated May 16, 1908. This contract seems to have been held up a little while, I don't know for what reason. Now the Auditor General's Report shows that the Chief Engineer recommended that this tender be accepted as the price was reasonable. I would like to put on record the clause of that report, but have not got it here.

Mr. CARVELL: That is for the year ending 31st of March, 1909?

Mr. PRINGLE: Yes. I would ask Mr. Stewart to have that produced. Well, at any rate, there was an order-in-council passed giving this work to the Canadian Dredging Company, and the contract was signed, wasn't it, Mr. Pratt?—A. Yes, Sir.

Q. And that contract has been running on since then up to the present time?—A. Yes, sir,

Mr. GERMAN: Before going to anything else, let us clean up that contract for which there was a double tender for the same work. I would like to fully understand that one. What year was it?

Mr. PRINGLE: 1907.

Mr. CARVELL: And the correspondence that took place between them.

Mr. PRINGLE: I read that letter, but I will go further back if you wish. The Chief Engineer, J. D. Lafleur, for some reason or other, decided to call for second tenders from all the parties who had tendered before. Competition was very keen and there was a cutting-down of prices in these second tenders.

Mr. GERMAN: Did the same parties tender the second time who tendered the first time?

Mr. PRINGLE: The parties, at any rate, who tendered the second time were Weddell, Macdonald, the Canadian Dredge Company, and so on.

Mr. GERMAN: They tendered the second time anyway, then.

Mr. PRINGLE: Whatever the reason was the Department considered it advisable, in the public interest, to call for second tenders, and they called for second tenders. Now, who tendered the first time, I cannot say until I go into this file. I tried to get access to it, but Mr. Stewart has been using it. (Examining file.) Well, I find that in 1907 there were three tenders put in originally, the Dominion Dredge Company, Limited, Ottawa, Ont., \$2.50, rock, and 30 cents other material; the Canadian Dredge and Construction Company, \$2.40 rock, and 53 cents other material; the Penetanguishene Ont. Dredging Company, Penetanguishene, Ont., \$3 rock, and 57 cents other material. The date is May 4, 1907. Now for some reason, the Department saw fit to call for second tenders.

The CHAIRMAN: Is there nothing there to show, either correspondence or telegram, why they called for second tenders?

Mr. STEWART: There is nothing in the file that I have seen.

Mr. PRINGLE: At any rate, second tenders were called for, and the Chief Engineer, after going through the second tenders, decided that the Canadian Dredge Company tender for Midland should be accepted; it was the lowest.

Mr. STEWART: It was the only one, was it not?

Mr. PRINGLE: No, it was not the only one, Macdonald and Weddell came in on the second tender, but the Canadian Dredge Company were 25 cents a yard lower than Weddell on the rock, and they were 7 cents lower on the other material, so that they were the lowest tenderers for this work. They dropped down from 53 cents to 26 cents in competition with the others on the second tenders.

The CHAIRMAN: Is there anything to show the respective quantities of material taken out?

Mr. PRINGLE: The specifications show approximately what they would be required to take out, and the final returns show exactly what was taken out. I would like to clear up one little insinuation, that these people were going below grade for the purpose of making money out of the government, and Mr. Pratt can explain that there was any quantity of material to excavate, without going below grade. Would you explain that, Mr. Pratt?

The WITNESS: It is quite easily explained how we came to make the overdepth. It was only to make proper grade. There was no object for us to go down below 26 feet when there was approximately one million yards of the same material in the same slip. It was done in an honest endeavour to make a proper grade.

By Mr. Carvell:

Q. Practically, how much material were you dredging?—A. Some of the face was ten feet, and some of it twenty feet of material. There was approximately a million yards still to be taken out at this point.

By Mr. Pringle:

Q. Now, I think gentlemen, we have the contract of 1908 finally settled. That contract has been renewed. You have continued to do that work, Mr. Pratt?—A. Yes, up to the present.

Q. The work now is practically completed?—A. There is only a small quantity remaining. There is some work at Victoria Harbour to finish the slip yet.

Q. I find that the Chief Engineer has recommended the renewal of this contract for the last two or three years?—A. Yes.

Q. And I find in the recommendation to Council in 1911, for instance, the Engineer recommending that "authority be given to further renew the contract entered into in 1908 with the Canadian Dredge and Construction Company, for the execution of the dredging required in the Harbour of Tiffin, Ont., during the season of 1911, at the price of said contract." I find that there is practically the same recommendation to Council to renew the contract for 1912, and it was renewed on the same terms and conditions, the present year, and the work has gone on in exactly the same manner as it went on in former years.

Mr. BENNETT.—With new inspectors.

The WITNESS.—That has made no difference whatever. I would just like to state, approximately, that our earnings last year were as good as any we have had in the past. Your inspectors were just as good as the others and no better.

Mr. BENNETT.—Were any of the present inspectors ever in your employ personally?

The WITNESS.—Yes, Mr. McMullen, but I never employed Mr. McClinchy.

By Mr. Pringle:

Q. You did not find the Tory inspectors any worse than the Grit inspectors?—A. They were honest; no mistake, sir.

Q. The District Engineer had a man on the job all the time?—A. The last two or three years, and part of the other years.

Mr. PRINGLE.—It is said now, that every one of the inspectors have been committing perjury.

Mr. STEWART.—Nobody said so.

Mr. PRINGLE.—I am glad to know you gentlemen admit that the inspectors have been absolutely honest.

Mr. STEWART.—We do not admit that either.

Mr. PRINGLE.—Where is the evidence? We would like to get at it.

Mr. STEWART.—We do not admit all those things.

The WITNESS.—There is also the affidavit of the engineer. The engineer on each dredge makes an affidavit and is not going to perjure himself as to the material removed.

By Mr. Pringle:

Q. But after the whole work is completed, don't they go over it with a lead line, and then with a sweep, to see the quantities that are taken out, so that they can tell approximately whether the scow measurement is correct or not?—A. Yes, sir.

Mr. PRINGLE.—Well, now, gentlemen, there is an awful mass of material here, and I do not know whether it is relevant to this inquiry or not; I do not want to take any more of your time than is necessary.

By Mr. Stewart:

Q. You say these figures of quantities of materials removed have been made up by the engineers, how do you know that?—A. I did not catch your question.

Q. You told Mr. Pringle that all these quantities that had been removed as per scow measurement had been checked up by the engineers?—A. I did not wish to infer that.

Q. That is what Mr. Pringle said and you assented to it?—A. Just a moment—the engineer at Toronto certifies that his inspector's figures are correct; that is the district engineer, that is all he has to do with it; the local engineer in charge initials it and Mr. Sing signs it.

Q. That is as to the scow measurement?—A. Yes.

Q. But that is not checking up by the engineers after the material has been removed and comparing it with the progress estimates to see how the scow measurement compares?—A. That cannot be done until the work is completed.

Q. But this has been done?—A. So far as I know it has not except in a certain proportion of the work, so far as the work has gone.

Q. How do you know that these figures have been checked over?—A. I do not know.

Q. You do not know that this has been done?—A. No.

Q. With regard to the renewal of the contracts for the years 1911-12 you claim there were special circumstances that entitled you to a renewal, didn't you?—A. Yes, sir.

Q. What were those special circumstances?—A. That we were quite capable of finishing the work and we should be allowed to finish the work we had started on and to finish the slips up in proper form.

Q. And in fairness to you that was done?—A. Yes, sir.

Q. And you are not complaining of that?—A. We are not complaining, certainly not.

Q. You received special consideration because you had started on the work and so on?—A. There is no question over that, we are obliged to the member for East Simcoe for renewing the contract in 1912.

Q. I do not mean that, but there were reasons why you should get a renewal of the contract?—A. No doubt of it.

Q. Because of the way in which the work was left in former years?—A. Yes.

Q. You say you have written something off your plant this year, will you tell us how much?—A. No, sir, I will not.

Q. Do you know?—A. Yes, sir.

Question objected to by Mr. German.

Mr. STEWART.—The witness volunteered the statement that something had been written off the plant this year, and I simply wanted to cross-examine him on it.

A. I prefer not to give this information, but I am prepared to compare our work with any other that is proceeding on the lakes.

By Mr. Stewart:

Q. Please do not give us statements voluntarily that you do not wish to be cross-examined on. You volunteered a statement and now when I seek to follow it up you shield yourself and will not tell the amount.

Mr. CARVELL.—Mr. Pringle asked the question whether they had written anything off.

Mr. STEWART.—Mr. Pringle did not ask him that.

WITNESS.—It is all right, I will stand by it; well now I will give you the figures, if you want to know, it was approximately \$85,000.

By Mr. Stewart:

Q. So you waive your objection to giving it?—A. Yes, you can get the figures.

Q. Why did you object a few minutes ago?—A. Never mind about that.

Q. You say that one member of this executive committee can give all the details of the purchase of the Owen Sound Dredging Company?—A. Yes, sir.

Q. You were a member of that committee too, were you not?—A. Yes, sir.

Q. Then why cannot you give it?—A. I haven't as much to do with the office or the financing of it as the other members of the committee have.

Q. With regard to dredging below grade you say there is an allowance of from one to two feet?—A. Yes, sir.

Q. That is for the scoop of the dipper?—A. Yes, sir, the sub-grade.

Q. The sub-grade, that is allowed?—A. Yes, sir.

Q. And below that it is not allowed?—No, sir.

Q. You went a considerable distance below this allowance?—A. Yes, sir.

Q. Did you notice that Mr. Pringle read the Engineer's statement, in Mr. Sing's letter, that this was said to be unintentional on your part?—A. I didn't notice that.

Q. Mr. Pringle read that?—A. Yes, sir.

Q. I understood you to say that was intentional and deliberate on your part?—A. I did not understand anything of the kind.

Q. You said you went as deep as you could so that it would not fill in again?—

A. That is all right, that was so as to make grade, but there was no intention to grab material, there was no reason for it when there was a million yards there, right there to be taken out.

Q. There was no intention?—A. No, sir, we had to do the same thing this year.

Q. No allowance was made in Victoria Harbour some time ago?—A. Yes, sir.

Q. When was that made?—A. The following year.

Q. What year?—A. 1911.

Q. There was no objection to that?—A. We didn't object to it, no.

Q. Why do you take objection now to the deduction in Tiffin?—A. Why, because the kind of material is not the same; at Tiffin it is part clay and there is not as much filling in as at Victoria Harbour.

Q. You have admitted that the matter is very largely in the discretion of the Engineer?—A. Apparently it is, but we do not think it should be.

Mr. PRINGLE.—The contract speaks for itself.

Mr. STEWART.—I think that is all for this witness.

By Mr. Pringle:

Q. Just one word, I notice our friend the Auditor General seems to be a little particular with regard to these quantities; let us just get clearly on the record how this is kept track of: in the first place, there seems to be a certificate from the man here on the vessel?—A. That is the first engineer.

Q. The first engineer gives his certificate which is sworn to; I see in this case it has been sworn to before a notary public.

Q. As to the kinds of material that have been dredged, rock or other materials?—A. And as to the quantities.

Q. Both as to the kinds and quantities?—A. Yes, sir.

Q. Then as a check on him you have the inspector?—A. Yes, sir.

Q. Who also makes an affidavit in which he says:

'I do solemnly declare that all the dredging detailed in the annexed weekly reports which have been signed by me has been performed under my personal inspection; that the quantities, kinds of material removed, and number of working hours therein mentioned are correct in every respect, and that I was personally present on the work during the hours set forth on attached form.'

Then, on top of all that you have the certificate of the District Engineer, Mr. Sing?—

A. That the report handed in is correct.

Q. That the report handed in is correct, and that is signed 'J. G. Sing,' District Engineer?—A. Yes, sir.

Q. So that the three of them sign this report before anything is paid?—A. Except that Mr. Sing would have no knowledge of the quantities removed, he simply initials the report as having come from his inspector.

Q. Well, I see he signs all the reports, and on the strength of that the payments are made?—A. Yes.

By the Chairman:

Q. Do the local political executive of your riding make the recommendations for appointments in your riding?—A. The local political executive?

Q. Yes?—A. Sometimes that has been done by the executive, and sometimes the recommendation is made by the local member—I am not familiar with that.

Q. Then if that is done what happened in this case was that the executive who were recommending the appointment of these inspectors would be the president and the secretary of this dredging company?—A. Yes, that might possibly be but that would not make any difference.

Mr. PRINGLE.—Is there any accusation against any one of these inspectors?

The CHAIRMAN.—I am just simply pointing out what might have happened in connection with the appointment of these inspectors, that they might have been appointed on the recommendation of the men whose work they were inspecting.

A. That would not make any difference; I defy any man to find one single thing to support the claim there is anything wrong—I make that assertion.

The CHAIRMAN.—But I say it is a bad principle to have a man appointed on the recommendation of the man whose work he was to inspect, do you not think so?—A. It might be.

By Mr. Pringle:

Q. This company has a Dominion incorporation?—A. Yes, sir.

Mr. PRINGLE.—This company is incorporated under the Dominion Act. Under that Act there is one official, unless the directors see fit to appoint another one, who has absolute control and charge of the books. That official is the secretary, and he is the one who should be called upon to produce the books. Let me read section 89 of the Act:—

'The company shall cause a book or books to be kept by the secretary, or by some other officer especially charged with the duty, wherein shall be kept recorded—'

And then it states what shall be recorded. Now, no other official is appointed to do that work. Mr. Grant is the secretary of this company and I have stated here that the moment the doctor says Mr. Grant is able to come, he will come here and produce books and documents in the possession of the company. I do not see anything fairer than that.

Mr. STEWART.—I do not see any application of that statute to the matter in hand here at all. That is a statute relating to the duties of a secretary of a company towards the company, but it surely cannot override the ruling of this committee for the production of all books.

The WITNESS.—I would like to know when I am going to be released. I have to be in Pittsburg on Saturday, and would like to know when you want me to return, so that I can shape my movements accordingly.

Mr. STEWART.—When will you be back?

The WITNESS.—Any time next week.

Mr. STEWART. Very well, I will notify you.

MR. PRINGLE.—We want the attendance of Mr. White and Mr. Sheppard, but especially Mr. Sheppard, in order to clear up this Owen Sound matter.

Mr. A. N. PAYNE, called, sworn, and examined:

By Mr. Stewart:

Q. Mr. Payne, are you an expert in handwriting?—A. I am supposed to be.

Q. What experience have you had in that line?—A. Well, I have had sixteen years' experience in the Post Office Savings Bank of the Government.

Q. And what has been your work along the line of handwriting, the scrutiny of handwriting?—A. Part of my duties is every day to examine handwriting in the matter of the comparison of signatures in general.

Q. How long have you been at that work, do you say?—A. Sixteen years.

Q. I produce to you a file of tenders bearing date of 1907. You have seen these files before, have you?—A. (After examining file). Yes, sir, I have seen this one.

Q. I produce to you a tender of the Canadian Dredging and Construction Company, Limited, signed by F. W. Grant, and dated May 4, 1907. Have you examined that tender? (Exhibiting document to witness)?—A. (After examining document), I have, very carefully.

Q. You have examined it very carefully. That is said to be in Mr. Grant's handwriting. I produce to you another tender of the Canadian Dredging and Construction Company, Limited, signed by F. W. Grant, secretary treasurer, for work at Midland. Have you examined that tender also?—A. I have.

Q. That is said to be in Mr. Grant's handwriting. I produce to you the tender signed by the Penetanguishene Dredging Company, per P. H. Spohn, secretary treasurer, dated May 4, 1907, for certain work at Waubashene. Have you examined that tender? (Exhibiting document to witness)?—A. (After examining document), I have.

Q. I produce to you another tender signed by the Penetanguishene Dredging Company, per P. H. Spohn, secretary treasurer, dated the 4th day of May, 1907, for work at Midland Harbour. Have you examined that tender? (Exhibiting document to witness)?—A. (After examining document), I have.

Q. What have you to say as to the handwriting and the figures in these four tenders? A. They are all made by the same hand.

Mr. CARVELL.—Does anybody deny it?

Mr. PRINGLE.—I was just going to suggest to the Chairman that if the handwriting were denied then would be the time for expert testimony.

By Mr. Stewart:

Q. Will you look at these four tenders and indicate where the points of resemblance are?—A. In all these cases the writer has a distinct characteristic running through his writing. The characteristics I find in all the tenders. They are very distinct, they are very pointed, and it is not a question in my mind of similarity, it is a question of positive likeness, or I would not dare to say what I am saying. The faces of the documents are most striking. If you notice in the figuring, whoever signs them—if it be F. W. Grant, I do not know—he has a grade on all his figures; he makes the same grade on every one of them. If you will notice when he writes his letter "d" he has a most peculiar characteristic.

Mr. GERMAN.—Do you admit this, Mr. Pringle?

Mr. PRINGLE.—I think Mr. Grant, when he comes down, will state candidly what he did or did not sign. Then if there is any question about his signature, bring on your expert; do not take up time unnecessarily now.

By Mr. Stewart:

Q. I produce to you an envelope entitled "Midland and Waubashene". It is attached to these tenders of the Canadian Dredging & Construction Company, and I produce to you another envelope attached to the tenders of the Penetanguishene Dredging Company, and I ask you to compare these two envelopes. (Exhibiting documents to witness).—A. (After examining documents) I have compared them, and they are written by the same hand.

Q. Written by the same hand. If Mr. Grant's handwriting is in these four tenders, then these envelopes (Exhibiting documents) are in Mr. Grant's handwriting too?—A. Undoubtedly.

Q. I produce a tender by the Canadian Dredging and Construction Company, Limited, dated Midland, 14th April, 1906, signed James Playfair and F. W. Grant, and marked "C". I ask you in whose handwriting the figures and signature are (exhibiting document to witness).—A. (After examining document) They are the same as those other ones.

Q. That is, 29, 30, 31 and 32?—A. Yes.

Q. Now then, I produce the envelope attached to them, and I ask you in whose handwriting that is?—A. Just the same as 39 and 40.

Q. I produce you a tender of the Continental Dredging Company, Limited, dated the 19th of May, 1911, and I show you the figures in it—\$2.50 for rock and 35c. for other material, and ask you whose figures those are?—A. I have examined that and it is the same as Waubashene and Midland.

Q. And if those are Mr. Grant's so is this?—A. Yes.

Q. I produce the envelope attached to that tender and marked "Tender for dredging in Quebec" and addressed to the Secretary of the Public Works Department, Ottawa. Have you examined that envelope?—A. I have. It is the same as 39 and 40.

Q. And if those are Mr. Grant's, this is also?—A. Yes.

Mr. BENNETT.—Who is the Continental Dredging Company's tender signed by?

Mr. STEWART.—E. Smith, president. Now, Mr. Pratt, this is signed in purple ink, isn't it?—A. Yes.

Q. And the figures in the tender are in a different coloured ink?—A. Yes.

Q. What colour?—A. Black.

Q. Just the signature in purple?—A. Yes.

By Mr. German:

Q. Do you say that these others you have looked at with Mr. Grant's signature on, and this signature E. Smith are signed by the same man?—A. No, no.

Mr. BENNETT.—Let's get the initials of this man Smith right. There appears to be some confusion about it.

Mr. STEWART.—It is not very clear just what his initials are. (To witness): Can you make it out?—A. It seems to be either 'C' or 'E' and then 'J.' (To Mr. Pratt): Do you know what the proper initials are?

Mr. PRATT.—Yes. The proper initials are C. J.

Mr. STEWART.—Now, then, Mr. Payne, I produce you another tender for work at Honey Harbour in 1912, signed by the Canadian Dredging and Construction Company, Limited, F. W. Grant, secretary treasurer, and you see the figures in that and his writing. Do you recognize them as Mr. Grant's?—A. They are the same as the others, yes.

Q. And the envelope attached to it, addressed to the Secretary of the Department of Public Works, and delivered at Ottawa, not posted, whose handwriting is this?—A. These are the same as 39 and 40.

Q. And Mr. Grant's also if the others are?—A. Yes.

Q. I produce to you a tender of the Continental Dredging Company, Limited, dated Ottawa, May 19, 1911, Continental Dredging Company, Limited, per H. Shancy. Have you looked at that one, Mr. Payne?—A. Yes.

Q. That is attached to the tender, is it not?—A. Yes.

Q. The one in purple ink?—A. Yes.

Q. Will you just say whether that is Mr. Grant's handwriting?—A. No.

Q. Now I produce the tender of the Canadian Dredging and Construction Company, Limited, dated at Ottawa the 23rd of March, 1906. Have you seen that tender, too? If not, have a look at it and the envelope attached.—A. This is the same man.

Q. How about the envelope?—A. That is the same, too.

Q. Now you have had a good deal of this handwriting to make comparisons by, have you not?—A. Yes.

Q. Any doubt in your mind as to the writer?—A. I cannot have any doubt.

Mr. STEWART.—That is all, thank you.

Mr. PRINGLE.—Mr. Chairman, I prefer not to cross-examine Mr. Payne at present. I don't know whether Mr. Grant will admit all these signatures or not. If he admits them, why there is an end of it; if he denies them, then it will be a question for the committee to decide whether Mr. Grant knows more about his handwriting than Mr. Payne. So I would ask to let Mr. Payne stand aside and later on I may want him.

Mr. STEWART.—Then, Mr. Chairman, that is all the evidence to-day.

Mr. BENNETT.—What about getting the books here?

Mr. PRINGLE.—I think I was absolutely fair in regard to those books. We have an official who is the custodian by the law of those books. We are willing, the moment he is out of the hospital, to have him down here and bring the books with him. If you want them before that, why then you will have to get Mr. White down here, but he will not speak regarding the books in the official way Mr. Grant will. I am not going to throw those books on the table for a fishing expedition, but I am willing to produce anything in the books that is pertinent to this investigation. I will produce anything in these books that is pertinent to this investigation, and will take the Chairman's ruling on what is pertinent. What is it you want to see?

Mr. STEWART.—I want to look into the books and seen how they are kept. Do you remember, you said you welcomed investigation?

Mr. PRINGLE.—Yes but we are not going to throw our books open for the curiosity of Mr. Bennett or yourself. We will produce anything that is pertinent to this investigation which the committee think is pertinent.

Mr. STEWART.—Mr. Chairman, you will remember that it has been disclosed in evidence here, that there have been dealings between these two companies, and the books will disclose the amounts paid from one to the other. It cannot be argued consistently, when an investigation of this kind is under way, that their books are private. If they wish their books to be private then they should not go into public business at all.

Mr. CARVELL.—Assuming this committee investigates the matter and finds that the contracts are let, and that the prices are fair and just, does Mr. Stewart think that the Committee is going to pry into the private affairs of the company to learn whether they have made ten or eleven or a higher percentage of profit?

Mr. STEWART.—Where we show collusion, where we show one man making the tenders for different companies, where we show dealings between two companies, then I submit it is not a private matter.

Mr. CARVELL.—It was all public tender.

Mr. STEWART.—Not competitive tender at all. If we show excessive prices over what would be a reasonable profit it corroborates that there is collusion in tendering.

Mr. PRINGLE.—I want to put myself absolutely on record. This investigation opened to inquire into an expenditure which was said to be a very large expenditure,

at Tiffin Harbour, an expenditure of \$105,000 in one year. We have produced, or at least, my learned friend has produced, the records to show that the contract was let by competition, and has shown that the men like Randolph Macdonald, a prominent dredge man of Toronto, and this company and Robert Weddell and others tendered for this work. After a careful investigation the Chief Engineer reports in favour of the Canadian Dredge Company, the lowest tenderers. Insinuations have been made that there was something crooked in connection with this work. They have produced the certificates of the engineer of the dredge as to quantity, quality, &c., they have produced the sworn statements of the inspectors appointed by the government as to quantities; they have produced the District Engineer's statements verifying these and certifying to the correctness of these accounts. On the strength of all these, they have been paid. Now, they say, we are not satisfied; we want to get right into this company and see how they are conducting their business. Surely it is not a matter of public importance what half-a-dozen individuals do as a company so long as they are doing no injury to the public. What the Committee are here to investigate is; has there been any wrong done in so far as the public are concerned. If I joined with my friend and said, I am in the dredge business; I will tender for this work, and you will tender for other work, while it may not be in the interest of the public that such should be done, yet the department is the one to watch this thing. The department in this case did control these tenders. But my friend goes back two or three years and says something about tenders being put in. It has been shown that several tenders were submitted, but because the prices were not considered to be reasonable, in one case the Chief Engineer said I will throw out the whole of them and call for new tenders, and on these new tenders my clients happened to be the lowest tenderers. We invite the fullest investigation so far as this public expenditure of money is concerned. But we say that you have no right to go into our personal business unless you can show that in some way there has been an injury to the country. That is the position we take, and it is a position that will come up constantly in this Committee, and this Committee, to my mind, has always ruled and said the investigation stops when you get into the private affairs of an individual.

The CHAIRMAN.—It there not time enough to discuss that when the books are here and we are going into the books?

Mr. PRINGLE.—He is now asking for your approval that we lay the books on the table.

Mr. GERMAN.—He has moved that Mr. White be subpoenaed to produce the books.

Mr. BENNETT.—I said in the House of Commons, and on the platform at lots of places, that there has been fraud and collusion in these tenders, and that it would be proved whenever they were submitted to the House, or before a Committee of Parliament, that this man had signed the tenders not only of his own company, but of presumably, a competing company. It will be established in evidence later on, that the work at Midland which had been carried on by the Owen Sound Company for 16 cents a yard, and the same work was tendered for by the Midland Company at 56 cents a yard. It is idle for any man to assume that men who are tendering on dredging operations do not know the price that the former contractors were receiving at such prices. They knew work was being paid for at 16 cents a yard, and they put in a tender for the identical work at 56 cents a yard. Had the Minister decided on the two tenders that were in, this company would have received 56 cents a yard for work that had previously been done for 16 cents a yard. And it was due to the presence of a third tender that of the Stewart Company of Ottawa, that the prices were revised.

Mr. CARVELL.—But the Canadian Dredge Company did not get 56 cents a yard.

Mr. BENNETT.—What is the first ingredient of fraud? The Canadian Dredge Company and the Penetanguishene Dredge Company are supposed to be competing. The two tenders of these presumably competing companies are written by the one

man Grant. Grant is not here to give evidence. On the face of it there is fraud when two presumably competing companies put in the same tenders.

Mr. CARVELL.—When the competition is open to the world?

Mr. KYTE.—Do you presume that there was collusion between Randolph Macdonald and R. Weddell?

Mr. BENNETT.—It will be established in evidence that the Stewart Company withdrew from the competition, and then when it was thrown open to public competition, the price that originally had been 16 cents at that place which was known to this dredging company, as it must have been known, for which they had tendered at 56 cents, they came down then to 26 cents a yard. Now surely no one will say that is a straightforward offer. But what do we find? Here is a company away down in Quebec doing business, and the president of that company, Mr. Smith, signs a tender, necessarily in blank, in purple ink——

Mr. GERMAN.—Why necessarily in blank?

Mr. BENNETT.—Well, had Mr. Smith filled in the figures in that tender he would have done so in the same ink, he would not have filled in the figures in black ink and affixed his signature in purple ink. Whatever way you look at it there is something very extraordinary about it.

Mr. CARVELL.—As long as it is by public tender the two companies have a perfect right to get together and try to get the best figures they can for the work, as far as they are concerned, but it is up to the officials of the department to see that they do not get an unreasonable price.

The CHAIRMAN.—It is unfair to the department, though.

Mr. CARVELL.—I tell you that was done in the Maritime Provinces last spring and the contractors came up here with the members and they got their figure—I can tell you if you want it the names of the Conservative members who came here with the dredgers last spring.

Mr. BENNETT.—If there is anything wrong doing on this side I will condemn it. What we are asking is that the same procedure be followed as in the Public Accounts Committee of 1891, in the McGreevy matter when the books were produced here and were lying on the table from day to day for three or four weeks. Sir John Thompson summoned them to produce the books and Mr. Fitzpatrick, now Sir Charles Fitzpatrick, placed the books at the disposition of the Opposition to go into the accounts.

Mr. CARVELL.—Charges were made in the House in that case.

Mr. BENNETT.—I have made charges better than in the House, I have made them on the highways and at public meetings. Take another case, the Collingwood Drydock Company came here and the books of that company were here for weeks. Mr. Osler, who appeared as the counsel, never dreamed of putting up such a preposterous claim as that advanced now that we should not see the books of the company.

Mr. BENNETT moved, seconded by Mr. A. L. Davidson:

‘That D. L. White, president, and Jesse Allen, bookkeeper, be summoned here on Tuesday, 4th February next, to produce all books, accounts, ledgers, stock lists, minutes of meetings of the Canadian General and Construction Company, and the Canadian Dredging Company.

Mr. MCKENZIE.—I would suggest that Mr. Stewart and Mr. Pringle have a conference in order to see if they can agree as to what should be produced so as to avoid any wrangling here when these witnesses are on the stand.

Motion agreed to.

Committee adjourned.

EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

DREDGING IN MIDLAND, TIFFIN AND VICTORIA HARBOURS

No. 3—FEBRUARY 4, 1913



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1913

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
ROOM No. 101.

TUESDAY, February 4th, 1913.

The Select Standing Committee on Public Accounts met at 10.30 o'clock, a.m., Mr. Rhodes presiding in the absence of the Chairman, Mr. Middlebro'.

The Committee proceeded to the further consideration of a payment of \$255,509.41, in connection with dredging at Tiffin, Ontario, and Victoria Harbour, Ontario, as set out at page V—36 of the Report of the Auditor General for year ending March 31, 1912.

Mr. STEWART.—The first witness, Mr. Chairman, is Mr. D. L. White.

Mr. PRINGLE.—We may desire to recall Mr. Pratt but if Mr. Pratt does not wish to be examined now, there are one or two matters to explain and we can recall him later.

Mr. D. L. WHITE called, sworn and examined.

By Mr. Stewart:

Q. Mr. White, where do you live?—A. In Midland.

Q. How long have you lived there?—A. The greater part of the last twenty-five year.

Q. Prior to that where did you live?—A. In Saginaw.

Q. Michigan?—A. Yes, sir.

Q. Prior to that where did you live?—A. In Albany, N.Y.

Q. Did you have any experience of dredging in either of these two places prior to coming to Canada?—A. No, sir.

Q. You are an officer of the Canadian Dredge and Construction company?—A. Yes, sir.

Q. What office do you hold in that Company?—A. The office of president.

Q. How long have you been president of the company?—A. Since it was organized.

Q. When was that?—A. I think that was away back in 1906, if I remember aright.

Q. Who was the secretary of the company?—A. Mr. Grant.

Q. Has he been secretary since its organization?—A. Yes, sir.

Q. He is also treasurer, is he not?—A. Yes, sir.

Q. You carried on business in Midland prior to 1906, did you not?—A. Yes.

Q. What business were you in?—A. I was interested in the lumber business and in boats.

Q. In partnership with any person?—A. Yes.

Q. With whom?—A. With Mr. Playfair.

Q. Now you have also been active in a political way?—A. I suppose during the last few years I have taken a little interest.

Q. You have been speaking on the platform, I believe, for some years?—A. Why, during elections I have taken a little part.

Q. For how long has that been the case?—A. I cannot tell you.

Q. For ten years?—A. Possibly.

Q. And Mr. Grant, your secretary, for the same period?—A. He has been interested more or less.

Q. You and he have been at work in these campaigns?

Mr. PRINGLE.—Is that relevant to the inquiry?

The CHAIRMAN.—There is no harm done, Mr. Pringle.

By Mr. Stewart:

Q. Have you any objection to answering that, Mr. White? Are you ashamed of it?—A. Not at all.

Q. Why don't you answer it?—A. What is your question again.

Q. I asked you if you and Mr. Grant have been active in a political way in Midland?—A. We have been interested in politics.

Q. You have been an official of the local Liberal Association have you not?—A. I have, sir.

Q. What office have you held there?—A. I have held the office of president for a time.

Q. What time?—A. I could not tell you how long.

Q. When were you first elected to that office?—A. That I could not tell you.

Q. Are you still president?—A. I am supposed to be.

Q. Then you are president?—A. Yes.

Q. Why did you say "supposed to be"?—A. What is your question.

Q. I asked you why you said "supposed to be"?—A. Well, I am president of the Association.

Q. Mr. Grant is secretary, is he not?—A. Yes.

Q. When did you first become interested in dredging, Mr. White?—A. When the Canadian Dredge and Construction Company was formed.

Q. How did you become interested in it?—A. The same as I would in any company; I took some stock in it.

Q. Before deciding to take some stock, you must have made some investigation, did you not?—A. I presume likely, yes.

Q. As a business man you would do that naturally. What investigation did you make?—A. That I could not tell you, because I do not remember.

Q. Can you remember what you did as far back as 1906, in the way of making investigation?—A. I do not remember what investigation I made at all.

Q. What is the first tender your company put in for dredging?—A. That I could not say.

Q. Why can't you say? Can't you remember?—A. No, sir.

Q. Would your books not show?—A. Very likely they would.

Q. You have your books here?—A. I have some of them.

Q. You have some of your books here?—A. I do not know whether I can turn to it or not; I will look and see.

Mr. PARDEE.—You have them all in front of you.

By Mr. Stewart:

Q. You think your books would not show when you began work?—A. They might show when we began work; but not when the tender was made.

Q. When did you begin work?—A. I guess in 1906.

Q. Where did you begin work?—A. At Midland.

Q. Does not that recall to you the first tender which you put in?—A. No, sir.

Q. I have something here that indicates that the first tender you put in was in March, 1906, prices \$4 for rock and 80 cents for other material, and this was at Midland. Is that correct?—A. I presume likely that you have the tender there. I could not say as to that.

Mr. Pratt told us that he had nothing to do with the making of these prices, but that you and Mr. Grant had?—A. Very likely we had.

Q. Does that not recall it to you?—A. I do not remember.

Q. Did you know that prior to that time the prices for work done there had been very much lower than that?

Mr. PRINGLE.—Mr. Stewart, might I ask whether there was any contract let in 1907? I understand the cheques were returned and the contract was not let.

Mr. STEWART.—Not to these people.

By Mr. Stewart:

Q. I have it here from the record that the Owen Sound Company had tendered for this work at Midland \$2 for rock and 34 cents for other material?—A. Possibly.

Q. Did you ever know that was the price that they had been doing work for there?—A. I have no recollection of it now.

Q. How did you come to arrive at the price of \$4 for rock and 80 cents for other material in the tender?—A. I presume likely we thought it was worth it.

Q. The prices before had been \$2 for rock and 34 cents for other material?—A. I do not know anything about that.

Q. Do you know there is no rock at Midland except boulders?—A. In Midland Harbour proper I do not think there is.

Q. We are speaking of Midland Harbour. As a business man don't you think it is peculiar that you put in that tender at \$4 for rock and 80 cents for other material when the work there had been done for \$2 for rock and 34 cents for other material?—A. I have no recollection what it was being done for.

Q. Did you make any inquiry, Mr. White?—A. I could not say. Possibly I did, but, if so, it has slipped my memory.

Q. Did you never discuss the prices with any other dredging firm?—A. Not that I am aware of.

Q. Did you look over the ground to see what the work was worth?—A. I did not take any soundings, so far as that goes.

Q. On what basis did you fix these prices?—A. I could not say.

Q. Can you recall anything at all that you did or that any official of your company did, to enable you to arrive at these prices?—A. I do not remember now.

Q. Probably there was nothing done?—A. I would not say that.

Q. You cannot recall anything being done, and it does not look as if anything had been done?—A. I do not know.

Q. These prices are so extravagant and out of proportion with other prices that they look like a guess?—A. I would not say that.

Q. Does not \$4 against \$2 look exorbitant?—A. It all depends on how much there was to do. I presume that would come into the consideration.

Q. Your competitor had tendered for \$2?—A. I do not deny it.

Q. If they had been tendering and doing that work there for \$2, would not \$4 be an exorbitant price?—A. I do not think it would. The other parties might have taken off the cream.

Q. You are the manager of this Company; is that the way you propose to put us off?—A. I am not the manager of the company.

Q. You are the President and you exercise some management over its affairs?—A. In a general way, I presume so.

Q. Eighty cents for other material as against thirty-four cents, does that not strike you as exorbitant?—A. It all depends on the material.

Q. You know the conditions there at Midland?—A. Yes.

Q. With the conditions there, don't you think it exorbitant?—A. No, because it is different kind of material.

Q. What are the different kinds of material that would justify you in putting in a tender of 80 cents as against one of 34 cents?—A. There was quite a little bit of hard pan, rock and boulders to be taken out, and some mud.

Q. All that is covered by the 34c. tender is it not?

Mr. PRINGLE: There was no contract let on that.

Mr. BENNETT: The Owen Sound Company had that contract.

Mr. PRINGLE: Yes, these people didn't get the contract at those prices.

By Mr. Stewart:

Q. I am wanting to find out why the price in this tender was raised to 80 cents, but Mr. White does not appear to be able to give any intelligible explanation at all.

—A. I don't remember why, unless it was that we may have thought that we had to take out this hardpan, rock and boulders.

Q. The rock is in a class by itself at \$4; that has nothing to do with this 80 cents for other material. I read here from the Auditor General's Report, V—251, 1906:

“Owen Sound Dredging & Construction Co.

Dredging, June-December, 1905, April-June, 1906: clay and sand, 6,200 cu. yds. at 16c; clay, sand, boulders, &c., 33,129 cu. yds. at 34c; quicksand, 12,300 cu. yds. at 40c; sand, gravel, &c., 60,012 cu. yds. at 50c; hardpan, &c., 5,800 cu. yds. at 60c; logs, 34 at \$2; rock, 2,376 cu. yds. at \$2. In all, \$55,481.86; less \$3,334.36 paid in 1906-7. \$52,147.50”

Now you see the different classification of material and the different prices—very much lower than these, aren't they?—A. That may be. I notice you read some prices as high as 60 cents.

Q. That was for hardpan?—A. Yes.

Q. And your price was 80 cents for everything?—A. Probably we may have discovered that we made no money on it. I don't remember.

Q. Did you make any inquiries?—A. I don't remember.

Q. Now, when you put in your first tender, did you have any dredge?—A. We were building a dredge, if my recollection is right.

Q. What dredge were you building?—A. The “*Monarch*.”

Q. And when did the “*Monarch*” arrive?—A. Some time during the summer, think I could.

Q. Of what year?—A. I would say, 1906.

Q. Then when you put in this tender, you had no dredge at all?—A. We were building one.

Q. But you actually had no dredge?—A. No.

Q. Can you tell us from your books when the dredge arrived?—A. No, I don't I could.

Q. Would not your expense account show when she started work?—A. Very likely.

Q. Can you turn it up for us?—A. I don't know.

Q. Your books of account would show that, would they not?—A. I don't know whether they would or not.

Q. Have you not looked through them?—A. No, sir.

Q. Well, perhaps you will do that when we adjourn and be prepared to tell us next time you appear. Will you do that?—A. I will do anything I can.

Q. Did you seriously expect to get the work you didn't see at Midland for the prices in first tender?—A. Why, we thought it was worth it, undoubtedly.

Q. That was the second tender you put in?—A. I couldn't tell you.

Q. Do you remember putting in a tender in 1907?—A. No, I don't remember what time it was. Whenever the department called for tenders we put them in.

Q. The file shows that your company put in a tender in 1907 for work at Midland: rock \$2.40 and 53c. for other material. Do you remember that tender?—A. Why, if it is on the files, it's all right. I don't remember when we put it in.

Q. Do you remember the discussion over that tender in 1907?—A. No, I don't.

Q. Did you discuss it with Mr. Grant?—A. Why the chances are that I did, although I don't remember about it now.

Q. Your price then was \$2.40 for rock and 53c. for other material. Now that is quite a reduction from \$4 and 80c., is it not?—A. Why, as I said before, it would all depend on what there as to do and where it was. My recollection—I make be wrong—is that that was for Tiffin, not Midland.

Q. It was for Midland. Now, was there any change in the conditions or circumstances which caused you to drop from \$4 and 80c. in your first tender to \$2.40 and

53c. in 1907?—A. Why, I presume we made up our minds that it was worth just that much.

Q. Do you know what was done to ascertain that?—A. No, I could not tell you.

Q. Did you do anything yourself?—A. No, sir.

Q. Did you discuss prices with any other dredging company?—A. I have no recollection of doing so.

Q. Or any official of any other dredging company?—A. No, sir.

Q. Do you remember that these prices were not accepted in 1907?—A. I could not say. I suppose the records of the department would show.

Q. Do you know whether you got those prices?—A. No, we never got those prices.

Q. Your tender was not accepted?—A. No.

Q. Do you remember there was a hurried call by telegram for second tenders for this work?—A. Why, there probably was a second call.

Q. You remember it, don't you, Mr. White?—A. I have a recollection there was, but nothing very definite.

Q. And the prices put in on that second tender were lower—\$2.25 for rock and 26c. for other material?—A. Yes, sir.

Q. What led to that enormous reduction from 53c. to 26c. for other material?—A. I presume we found out where the dredging had to be done. If there was any hardpan it would make a difference.

Q. But that would rather lead to an increase than a reduction?—A. It all depends.

Q. What investigations did you make between the filing of these two tenders, to ascertain those conditions?—A. I could not say. I don't remember.

By Mr. Davidson:

Q. Is there anybody in your company who does remember anything?—A. I don't know.

Mr. STEWART.—We have had two or three of them here already but could not get much out of them.

Mr. PARDEE.—You were told who you could get here, who could tell you everything, and you have not got him.

By Mr. Stewart:

Q. We will continue with this witness. I was asking you what investigations you made in order to lead you to that reduction?—A. I could not say.

Q. Did you do anything yourself?—A. You mean personally going out and taking soundings?

Q. I mean any way at all, either taking soundings or anything else which led to this reduction in the second tender.—A. I could not say.

Q. Did you discuss it with Mr. Grant?—A. The chances are that I did. I don't exactly remember.

Q. Did you discuss it with Mr. Pratt?—A. I may have done so.

Q. Can't you remember that?—A. No, I cannot.

Q. Now here was an important matter; a big lot of dredging was to be done, a big contract made, and you cannot remember any discussions you had with anybody about it?—A. No, I cannot recall any.

Q. I see that you operated at Midland that year.—A. I could not even tell you whether the work was at Midland or Tiffin, or where they worked.

Q. Would your books of account show?—A. I presume they would. There is a book which shows, I think, all the work that was done each day.

Q. What book would you call that, Mr. White?—A. I would call it a working book.

Q. That is what you would call it?—A. I would think so, yes.

Q. How do you know that these tenders were delivered here in Ottawa?—A. I presume so.

Q. And not mailed?—A. I could not say whether they were mailed or whether they were delivered.

Q. Was that matter ever discussed with Mr. Grant?—A. I do not think so.

Q. Can you suggest why they were brought down here to Ottawa and delivered instead of being mailed in the ordinary way?—A. No, I could not.

Q. Was there any discussion between you and Mr. Grant about it?—A. I do not think so.

Q. Did you make any trips down to Ottawa for the purpose of getting information in reference to the work or the specifications for this work?—A. I may have done so although I could not tell you what time I was here.

Q. Can you say whether you were down here at all in the year 1907?—A. No, sir. I could not say.

Q. Would your books show?—A. I do not think so.

Q. Would you not have your expenses paid by the company?—A. If I came down probably I did.

Q. Would the account for your expenses appear in your books?—A. It might.

Q. Your expenses would be paid if you made a trip to Ottawa on the business of the company, would they not?—A. If I handed in my account likely it would be paid.

Q. Do you not hand in accounts for your trip expenses?—A. Not always.

Q. Did you hand in any account for any of the trips you made for this company?—A. I could not say. I don't hardly think I did.

Q. You don't think you did?—A. No.

Q. Why would you not do so?—A. I do not know. I don't suppose I handed in any expense account for trips for years.

Q. You don't think you did?—A. No.

Q. You were friendly, I presume, with the directors and stockholders of the Owen Sound Dredging Co.?—A. No.

Q. Do you know who they were in 1906?—A. No, I don't.

Q. Did you know Mr. Wilkinson, their manager?—A. Well, I do not know whether I knew him at that time; I could not say. I have known him a long time.

Q. When did you first become acquainted with Mr. Wilkinson?—A. I could not say.

Q. Go back as far as you can. Do not give us the same answer to everything. You do not do yourself justice, Mr. White.—A. That is all right. As to when I became acquainted with him I would not care to say.

Q. Was it in 1909?—A. I could not say, I have known him quite a number of years, but when I was first introduced to him or where I do not know.

Q. I did not ask you to give details like that but to tell this committee how long you have known him?—A. For several years.

Q. How many years have you known him? Several?—A. I could not say.

Q. Will you say you have known him seven years?—A. I may have.

Q. Will you say six years? Get down to some definite time—A. I would not say. I may have known him six or seven years or more.

Q. When you first knew him what was he doing?—A. He was looking after the dredging for the Owen Sound Dredging Co.

Q. When did the Owen Sound Dredging Company cease doing business up there?—A. I would say three or four years ago.

Q. How long before this happened did you know Mr. Wilkinson?—A. You are going back again. I don't remember when I first met him.

Q. Was he in the employ of the Owen Sound Company when you first met him?—A. I think so.

Q. Then it must have been more than three or four years ago?—A. I guess likely it was. It has been several years, that is as near as I can arrive at it.

Q. Did you discuss with him the affairs of the Owen Sound Dredging Company?—A. No, sir.

Q. At any time?—A. I have no recollection of doing it.

Q. You did not do it at any time while he was with that company although you were friendly with him?—A. No, sir.

Q. Did you discuss the workings of the Owen Sound Dredging Company with any of their directors?—A. No, sir.

Q. Did you get any information from him or from any of their officials upon which to make tenders that you put in here?—A. Not that I remember.

Q. Will you deny that you did?—A. I won't deny because I do not remember.

Q. Then you began work at Midland and where else has your company operated?—A. We have operated at Tiffin, we have operated at Port McNichol, and we have operated at Honey Harbour and we have done some work at Meaford and at other places.

Q. When did your company, the Canadian Dredging and Construction Company first have any business dealings with the Owen Sound Dredging Company?—A. I could not say.

Q. Would your books show that somewhere?—A. Why, I think they might.

Q. According to your recollection, when did you first have any working with them?—A. Why it seems to me that we did some work for them or they did some work for us—oh, I could not say, 4 or 5 years ago.

Q. Did you do any work for them the first year you got your dredge M?—A. I could not say.

Q. You could not say?—A. No.

Q. Would your books show that?—A. I think likely they would.

Q. That would be in the year 1906 wouldn't it?—A. 1906, yes.

Q. Did they do any work for you in the year 1906?—A. I could not say.

Q. Your books would show that, wouldn't they?—A. I presume they would.

Q. Did you do any work for them in 1907?—A. I could not say.

Q. Why can't you say?—A. Because I don't recollect.

Q. Would your books show that?—A. I think so; likely.

Q. Now when did the purchase by the Canadian Dredging and Construction Company of the Owen Sound Dredging Company take place?

MR. DAVIDSON: Who had the contract in 1906?

MR. STEWART: The Owen Sound Dredging Company

Q. When did the purchase take place?—A. What purchase do you refer to?

Q. I said the purchase by the Canadian Dredging and Construction Company of the Owen Sound Dredging Company's plant?

MR. PRINGLE.—No such purchase was made.

MR. STEWART.—By the Canadian Dredging and Construction Company?

MR. PRINGLE.—The present company is the Canadian Dredging Company which absorbed the Owen Sound Dredging Company and the Canadian Dredging and Construction Company.

By Mr. Stewart:

Q. Take the Canadian Dredging Company first, did they have any dealings with the Owen Sound Company?—A. I presume they did.

Q. As President don't you know?—A. If they had some work to be done we would help them out probably.

Q. You had been working together in that way since 1906?—A. Probably.

Q. Was there a new company formed to take over both companies?—A. There was.

Q. When was that company incorporated?—A. It was incorporated I think in the fall of 1910, if I remember aright.

Q. When was the Canadian Dredging and Construction Company incorporated?—
A. It was incorporated I think in the year 1906.

Q. So the later incorporation was in 1910 and that took over the two other companies that were in existence prior to that?—A. Yes.

Q. But prior to 1910 from about the time the Canadian Dredging and Construction Company was incorporated they began working with the Owen Sound Dredging Company?—A. Just as I say if they had any work they wanted done we probably helped them and if we had any work to do they probably helped us.

Q. It is not a question of probability at all—what is the fact that is what we want?—A. Well, I think that is the fact.

By Mr. Davidson.

Q. Did the Owen Sound Company have the contract in 1906?—A. I could not say from recollection.

By Mr. Stewart:

Q. They had the contract and you did the work for them, is that it?—A. Very likely.

Q. Is that so?—A. I think that is so although I am not certain about it.

THE CHAIRMAN.—I notice, Mr. Stewart, you use the words 'the Canadian Dredging and Construction Company' in each case. In the Minutes of the last meeting reference is made to the 'Canadian General and Construction Company' and the 'Canadian Dredging Company.' As I understand it, the company operating at present is the Canadian Dredging Company.

MR. PRINGLE, K.C.—That is an error. The company operating since 1910 is the Canadian Dredging Company, the other company was the 'Canadian Dredging and Construction Company; it has been out of existence for years.

THE CHAIRMAN.—I think it will be well then to stick to the words the 'Canadian Dredging Company,' so as not to confuse it with the former company.

By Mr. Stewart:

Q. Now these two Companies that you say had been working together in 1906—there would be some discussion between you as to prices put in in 1907, was there not?—A. I don't remember ever having any discussion with them.

Q. With any of the officers of the other Company?—A. No, sir.

Q. Did any of them come to your Company?—A. Not that I am aware of.

Q. Did you ever hear prices discussed?—A. No, I don't know as I did.

Q. You never heard of anything of that kind?—A. I don't remember any discussion of that kind whatever.

Q. You were not really bitter competitors, were you, in 1907?—A. Oh well, we were competitors all right, only I don't know as we were bitter competitors.

Q. The relations possibly between you had been friendly?—A. Yes.

Q. You had been working together?—A. We had done some work for them.

Q. And you cannot say whether there was any discussion between you as to prices? You have told us that?—A. No.

Q. However, as you have said, you were not very bitter competitors anyway?

MR. GERMAN.—He has not said that. He has said they were competitors, not bitter competitors.

MR. STEWART.—That is what I meant to say.

MR. DAVIDSON.—Who were the tenderers in 1907?

MR. PRINGLE.—There were nine of them.

MR. STEWART.—No, there were not nine for this work.

MR. PRINGLE.—If I am in error I will correct the statement, but I have the tenders before me. (Reads).

I have the honour to transmit herewith nine tenders received upon the second call for tenders.

Mr. STEWART.—That is nine tenders for places in Ontario, but look at the different places all over the Province.

Mr. PRINGLE.—Well, that may be.

The CHAIRMAN.—I think it would be better to go on and finish with this witness, Mr. Stewart.

By Mr. Stewart:

Q. Now then we have got down to the year 1907, when these tenders were called for the second time, and you put in a tender. The Owen Sound Company had their plant at Mildand, had they not?—A. Yes, sir.

Q. They did not put in a tender there, did they?—A. I don't know whether they did or not.

Q. Did you ever hear that they did?—A. I suppose the records of the department would show whether they put in a tender or not.

Q. I am telling you that they did not. You have no reason to doubt that?—A. Oh, not at all.

Q. You did put in a tender for material, however?—A. Very likely.

Q. Now, tenders were being invited for other works? Tenders were being asked for work at the same time at Tiffin and Victoria Harbour, were they not?—A. I think likely.

Q. And you had a plant, had you not?—Yes, sir.

Q. Why did you not tender on the work at Tiffin at the same time that you tendered on the work at Midland?—A. I could not say.

Q. Was that considered by you at all?—A. We may have put in a tender for that.

Q. But you did not—I am telling you that you did not put in a tender. Will you say that you did?—A. I won't say we did because you have told me from the records, that we did not.

Q. Why didn't you put in a tender for Victoria Harbour?—A. I could not say.

Q. Was the matter considered in any way by your Company?—A. I presume likely it was.

Q. Then what was the reason you did not put in tenders?—A. I could not tell you the reason.

Q. The Owen Sound Company put in tenders for these places, didn't they?—A. That I could not say: the records will show.

Q. Didn't you hear at the time that the Owen Sound Company were putting in tenders for Tiffin and Victoria Harbour?—A. I could not say now.

Q. You knew they did work there?—A. I knew they were doing some work there.

Q. They must have put in some tenders?—A. Very likely.

Q. And didn't you know at the time that they were putting in tenders?—A. I may have done so, but I have forgotten if I did.

Q. You didn't know at the time?—A. I did not say that.

Q. Well, was there any reason why you should not have put in tenders for Tiffin?—A. I could not say.

Q. Was there any reason why you should not have put in tenders for Victoria Harbour?—A. I could not say.

Q. You were not sure of getting the work at Midland, were you?—A. No, sir.

Q. Now, you had a plant, you were in the dredging business, you had a chance to tender on the work at these different points, and you select only one place to tender on. That is a fact, isn't it?—A. I have forgotten now whether we did or whether we did or not.

Q. Can you give us any reason why you did not tender for the other two places named, at the same time?—A. No, sir.

Q. Could you give us any reason why the Owen Sound Company did not tender on the Midland work?—A. No, sir.

Q. It seemed to fit in very well with the working of your two companies, didn't it?—A. Why, I don't know.

Q. It was perfectly satisfactory, wasn't it? It worked out very nicely, didn't it?—A. Oh, I don't know.

Q. Have you any complaints to make as to that?—A. No, we are not making any complaints.

Q. You were quite satisfied and the Owen Sound Company were quite satisfied?—A. I could not say anything about that.

Q. Then in 1907, when these contracts were let at the prices I have mentioned, did your Company continue its operation?—A. We have been working right there at Tiffin and Port McNicol chiefly.

Q. But you hadn't put in any tenders for Port McNicol at that time. How did you come to be working up there?—A. At Port McNicol?

Q. Yes, in the year 1907? Were you working for the Owen Sound Company?—A. I presume very likely that was the case.

Q. Then your Company was working for the Owen Sound Company at Victoria Harbour and at Port McNicol in 1907?—A. I think, likely, although I don't remember now.

Q. Would your books show the details of the operations between these two Companies?—A. I don't know whether they would or not.

Q. You are not able to say?—A. No, sir.

Q. Well, the books are here, and I suppose you are willing to allow the Committee to investigate these things as far as the books will disclose?—A. I would not like to say that.

Q. What position do you take with regard to these books, Mr. White?—A. I take the position that you have no right to go into them.

Q. No right to go into any of these matters?—A. Not into our private affairs, no, sir.

AN HONOURABLE MEMBER: Will the Witness speak up, we cannot hear what he is saying.

THE WITNESS: I said I didn't think the Committee had the right to go into our private affairs.

By Mr. Stewart:

Q. Are you willing to turn these accounts up and show us these figures and the relations between the two Companies according to your books?—A. Whatever I have to do, I will be glad to do it as far as I can.

Q. You do not wish to do anything in the way of giving the Committee information?—A. Not in regard to our private affairs, no, sir.

Q. Why?—A. I don't think it concerns the Committee.

Q. You do not think the public have any interest in that?—A. Not in our private affairs.

Q. In view of the relations between these two Companies and the dealings between them; in view of the way these tenders have been put in and manipulated, you think we have no right to look into your books and see what information we can find in that regard?—A. Anything in connection with the investigation you are perfectly welcome to, but not our private affairs.

Q. What do you call your private affairs?—A. I don't know as I would like to specify that exactly.

Q. You do not know just where you would want to draw the line?—A. No, sir.

Q. In 1906, who were the inspectors at Midland?

MR. GERMAN: That has all been answered.

MR. STEWART: Not as definitely as I want to get at the details of it.

Q. In 1906 who were the inspectors at Midland?—A. I could not say off-hand now.

Q. Was Mr. Hacker there in 1906?—A. I think he was.

Q. Was he the only inspector in 1906 at Midland?—A. Why, I cannot say altogether. I think Mr. Campbell was there, although I would not be certain about it.

Q. That is in 1906?—A. I would not be certain about it.

Q. Do you know whether at any time there were two or three dredges at work and only one inspector there?—A. No, do not think so.

Q. You do not know any time when that was the case?—A. I don't remember, no, sir.

Q. Who were the inspectors in 1907?—A. Well, I would not like to say for certain, but I think that Hacker was one of them, and I think Campbell was one.

Q. And Mr. O'Shea?—A. I don't know whether he was there that year or not, but he has been working as an inspector I know, and Mr. Kelman also.

Q. And Mr. Kelman? Were any of these former employees of yours?—A. O'Shea had worked for some time, I think.

Q. When did Mr. O'Shea work for you?—A. You are talking as an individual now; he has worked for Playfair and White for quite a number of years.

Q. What was his work with you?—A. He worked on the booms in connection with logs.

Q. In the spring he would keep track of your logs coming down?—A. Yes, he was engaged in that work.

Q. And when he was not on the dredge work in winter, he was working for your firm?—A. No, I do not think so.

Q. Will you say he was not working for you during the season when the dredging was not under way?—A. I do not recall.

Q. What others of these dredging inspectors have worked for your firm?—A. I do not think any of them ever did.

Q. None of them? Do you remember how these inspectors came to be appointed?—A. No, I could not say.

Q. Did you ever discuss the matter with Mr. Grant?—A. If I did, it has slipped my mind.

Q. There were appointed I suppose, Mr. White, upon the recommendation of the local Liberal Association, or the officials of it?—A. I would not like to say that.

Q. Will you say that is not the case?—A. I would rather be inclined to say that.

Q. I want you to be a little positive about it?—A. I do not know that there is any local committee of the Liberal Association up there.

Q. Did you ever discuss the matter prior to the appointment of these inspectors with any of the officers of the Association?—A. No, sir, I do not recall ever doing so.

Q. Did you ever discuss it with Mr. Grant?—A. No, but chances are there was some talk about it.

Q. It would be most natural that there would be?—A. I presume the question was asked if they would be capable.

Q. You approved of them?—A. Very likely.

Q. And Mr. Grant approved of them?—A. I could not say so; I presume likely. I presume we talked more or less about it.

Q. You do not remember any disagreement between you and Mr. Grant?—A. No.

Q. They were perfectly satisfactory to you and Mr. Grant?—A. As far as I can recollect they were.

By Mr. German:

Q. I suppose any of these inspectors would be equally satisfactory?—A. As long as they did their work, yes.

By Mr. Stewart:

Q. You had no reason to complain of the way in which these inspectors treated you?—A. We found no fault.

Q. You did not find them too strict?—A. We found them doing their duty.

Q. You did not find them too strict?—A. We did not find them too easy, either.

Q. You made no complaints about them?—A. No, sir.

Q. I suppose you know that these inspectors boarded on the dredges?—A. I presume they took their meals.

Q. Don't you know that?—A. I think they did.

Q. Were they charged for these meals?—A. I could not tell you whether they were or not.

Q. Will your books show that?—A. They might.

Q. I would like to have you turn that up in your ledger, and see if you have any charge against these inspectors?—A. I presume I could look and see.

Mr. PRINGLE.—We are coming to that point in this investigation when I think something definite should be settled. The hon. member for East Simcoe stated that he was quite willing that this investigation should be conducted on similar lines to the investigation that was conducted in the Tarte vs. McGreevy matter. I may say at once that I am perfectly satisfied that it should be conducted on these lines. The first thing we find in the Tarte-McGreevy investigation was that they were bound to lay certain specific charges as to wrong doing either on the part of the individual, or on the part of the Public Works Department. We have no specific charge here as to any wrong doing either on the part of the Canadian Dredge Company, or on the part of the inspectors, or on the part of the Public Works Department. If my learned friend wants to lay a charge that we in collusion with the inspectors attempted to defraud the Public Works Department it is open for him to do so, and when a charge is laid we will meet it. They have the right to give evidence confining themselves to that charge, and we have the right to give evidence refuting any such charge. If my learned friend wants to lay a charge against the Department of Public Works that these contracts were improperly given, he has the right to do so, and the Department of Public Works, I am quite satisfied, will be able to take care of themselves. Now, in so far as these books are concerned, any entry in them that is relevant to the enquiry we are ready to produce. Any entries that are not relevant to this enquiry we are not bound to produce. Now, I am not going into a long disputation as to the principles of privileged communications. We know that in our civil courts the principle has been laid down time and time again that books when produced are not open to the man of an inquisitive turn of mind who simply wants to fish through them in an effort to go into the private business of the individual or the company. The books, as a rule, are brought into court; those pages which do not in any way refer to the question at issue are sealed up, and the pages that do refer to the matters that are the subject of investigation are left open. I am quite willing to adopt the principle that was adopted by the House of Commons in 1891 when Sir John Thompson made this statement.

The CHAIRMAN.—That was in connection with what matter?

Mr. PRINGLE.—The McGreevy matter. (Reads).

"I hope the House will do the Committee the justice of believing in advance that the objectionable kind of examination to which the witness takes exception—examination into matters not necessarily involved in this inquiry—will not be gone into by the Committee. If the witness were brought before a court of justice and produced these books, the first duty of the court would be to see that no irrelevant impertinent enquiry into the books would be allowed."

Now, that is just the position we take, we are here with our books, and will submit them to you, Mr. Chairman, to the Committee or a sub-committee—because I think this body is entirely too large to deal with the matter—and I think the pro-

cedure adopted in the Tarte-McGreevy matter is probably the better procedure—that the Committee together with counsel on both sides can take these books, go over them; what is relevant let it be produced and go into the evidence and what is irrelevant let it be put to one side. You will remember in the Tarte-McGreevy investigation that Connolly refused to throw the books on the table for the investigation of every member of the Committee. Connolly was brought to the Bar of the House, and, after a discussion in which Sir John Thompson took probably the leading part, there was a direction made. It came back to the Committee, and the Committee, in dealing with the matter, appointed a Sub-Committee composed of certain gentlemen, the Chairman and Messrs. Evans, Bacon, Davis and Edgar. This Sub-Committee “was to decide on all questions of relevancy arising out of the examination of the books.” Now, Mr. Chairman, I would like to know where this fishing expedition is going to stop.

Mr. BENNETT.—Mr. Chairman, I am going to rise to a point of order. I have stood a good deal from Mr. Pringle. I am not here on any fishing expedition and I think every member of the Committee can speak for himself. I do not propose to take any insults from Mr. Pringle as to our being here on a fishing expedition, and I think you should make Mr. Pringle withdraw that expression.

Mr. PRINGLE.—I will be quite pleased to withdraw it if you show it is not a fishing expedition.

Mr. BENNETT.—I ask your ruling, Mr. Chairman, on whether a counsel can come here on the sufferance of the Committee and say to the members of that Committee that they are simply going fishing into private business.

The CHAIRMAN.—As I understand Mr. Pringle's remarks, he does not make the charge that the present examination is in the nature of a fishing expedition. He puts it in a hypothetical way, and under those circumstances I do not see that any exception can be taken to his assertion.

Mr. PRINGLE.—Well let me say this. When they got down to business in the Committee in the Tarte vs. McGreevy case, they made sixteen definite, explicit charges. They made certain charges against individuals.

The CHAIRMAN.—Mr. Pringle, I presume you wish to economize the time of the Committee as much as possible. I may say you are only taking up time to no purpose if you are attempting to draw a comparison between the McGreevy case and the present investigation of the Public Accounts Committee, because they are absolutely different and distinct. In the McGreevy case specific charges were properly laid by a member of Parliament against a fellow member, but in the present case it is merely an examination of certain items which appear in the Auditor General's report, and no charge is made against anybody, and it is competent for this Committee to call and examine witnesses, with a view of ascertaining whether the accounts were properly paid and the expenses properly incurred.

Mr. PRINGLE.—I absolutely agree with you, Mr. Chairman, that this is an investigation to see whether the accounts were proper, and the money properly paid by the Department. If we confine ourselves to that I will be delighted to do all I can to expedite this matter and get through in a very short time, but if is, to use the language of Sir Thompson, “an irrelevant, impertinent inquiry into our private affairs” then I say the line should be drawn.

The CHAIRMAN.—It is for you to point out where the irrelevancy occurs, because I have failed to find any shadow of irrelevancy in the examination up to the present moment. Now with respect to the question asked Mr. White; he is asked to produce his books to determine whether a certain sum was charged the inspectors while on the dredge. That is purely a relevant question, and I think it would be considered such in any civil action.

Mr. PRINGLE.—My only object is to facilitate the proceedings. If there is such an entry in the books it will be produced. My learned friend wants to take these

books on the adjournment and go through them at his leisure, examining into everything, and I would like a ruling on this matter. If you will appoint a Sub-Committee I, tomorrow, will, with Mr. Stewart, go with that Sub-Committee and let them go thoroughly through the books, and the Sub-Committee can decide what is relevant. I will have to bow to their decision and we can then come in here with the information obtained and get along very quickly. Now that is my idea, if we can possibly get it arranged.

The CHAIRMAN.—I think it was settled the last day we met that you and Mr. Stewart were to go through these books and pick out what was relevant.

Mr. McKENZIE.—Mr. Chairman, before you make any ruling on the question of relevancy, how are we to get at what is relevant or irrelevant until we know exactly what is being investigated? I do not know that a positive clear-cut statement has been made as to what we are investigating. If there has been, then the question of relevancy is an easy one.

The CHAIRMAN.—Well, the item before the committee is an expenditure of \$255,509.41 in connection with dredging at Tiffin and Victoria Harbour, as set out on page V—36 of the Auditor General's Report, and this examination is with respect to that item. Arising out of that examination, Mr. Stewart asked if the inspectors on the dredges get their meals free. The answer was that they probably did. Then Mr. Stewart asked the question: Did they pay for their board while on the dredge? The witness answered that he did not know. Then Mr. Stewart asked him to look into his books, to find out. The books are open to the examination of the committee, and I think, Mr. Pringle, the time to cross the bridge is when we come to it, and if, when Mr. Stewart asks any questions involving the examination of the books, you make any objection, then it is for the chair to make its ruling, but it hardly seems to me well to lay down a rule at this stage.

Mr. STEWART.—I take it that the scope of this committee is not limited in any way, Mr. Chairman, and that it has a perfect right to investigate any expenditure in every respect, to find out whether it was proper and regular and whether value has been given for the moneys that have been paid by the Dominion in connection with this dredging work or anything else. Now the tenor of all the evidence has been to show a peculiar condition of things with regard to these tenders. Undoubtedly it shows collusion in the filing of these tenders. This one shows that the work is paid for entirely by scow measurement, and the classification of the material and the quantities are determined by the inspectors. We find, from this witness, that these inspectors are appointed upon the recommendation of the local party association, of which he and the secretary-treasurer, Mr. Grant, are officials.

The CHAIRMAN.—I was not present at the last meeting. Was it shown that these men were appointed upon the recommendation of the party association?

Mr. STEWART.—Mr. White says to-day they were.

Mr. WHITE.—No, no.

Mr. STEWART.—If I understood him correctly he said they were likely appointed in that way.

The CHAIRMAN.—He said it may have been a matter of discussion between the local Liberals, and that it likely was. I understood the weight of his evidence was that that was the situation which was likely to occur. Further than that he did not go.

Mr. STEWART.—Mr. Chairman, you see the importance of the position of an inspector. We wish to show there was collusion between the inspectors and these contractors, and it is with reference to this that we ask whether the inspectors paid for their board or not.

Mr. PRINGLE.—The manager here tells me they did not pay for their board, and if Mr. White does not know anything about it Mr. Pratt will swear positively they did not pay for their board.

The CHAIRMAN.—You admit they did not pay for their board?

Mr. PRINGLE.—Yes, we admit it.

The CHAIRMAN.—That settles the question.

By Mr. Stewart:

Q. Then do you admit that these inspectors while boarding on your dredges did not pay for their board?—A. It seems so, yes.

Q. Is there any reason why they should not pay for it?—A. Oh, I don't know as there is any.

Q. Would it not be placing your inspectors under some obligation to the dredging company?—A. I do not know that it would.

Q. What do you think yourself? Don't you think they would be rather more kindly disposed towards the Dredging Company, and feel under some obligation to them if they were boarded on the dredge there?—A. I do not think they would.

Q. You do not think that would have any effect upon the ordinary man at all?—A. No.

Q. You think they would be inclined to adhere more strictly to their duty because of that?—A. No, I think they would go on doing their duty as they always did.

By Mr. Bennett:

Q. Do you apply that principle of "free board" to the other employees of your firm?—A. No.

By Mr. Stewart:

Q. I have been told, Mr. White, that they slept there sometimes?—A. I don't think so.

Q. And that in rough weather they stayed on the dredge all the time?—A. I don't think so.

Q. Do you deny that they did?—A. I do not know whether they did or not, but I don't think so.

Q. Why do you say that you do not think so if you do not know anything about it?—A. Because I think they came home.

Q. Would you think there was any reason, if they got their mid-day meal there why they should not stay there altogether?—A. I can imagine such a thing happening, but I do not think they did.

Q. Did you come down to Ottawa, at any time, in connection with the appointment of these inspectors?—A. No, sir.

Q. Upon any occasion, or in connection with these tenders that were put in for work at Midland?—A. I don't think I did.

Q. You do not remember coming down at any time? You know there was some dredging below depth up there?—A. I have heard a little about it.

Q. When did you first hear about it?—A. I presume when it occurred.

Q. When was that?—A. I think it was a couple of years ago.

Q. That dredging below depth was done in the year 1910, wasn't it now?—A. I think it was probably 1910 or 1911—I think it was 1910.

Q. And it took place both at Midland and Victoria Harbour—or Tiffin,—I mean and Victoria?—A. Well, the record will show.

Q. Don't you know yourself?—A. Well, I have a recollection that it was.

Q. At both these places deductions were made on that account?—A. Yes, sir.

Q. And the deduction at Victoria Harbour was made in the year 1911, was it not—or Tiffin I mean, in 1911?—A. Why, I think it was.

Q. And the deduction at Victoria Harbour has only been made since this investigation started?—A. I believe so.

Q. Although the work was done, all this dredging below depth occurred in the same year. Now there was a large reduction at Tiffin, was there not?—A. I could not say how much there was.

Q. Do you not know as a matter of fact, that there was a reduction of \$8,000 or \$10,000?—A. Whatever the records show.

Q. You did not hear about it?—A. I heard about it, yes.

Q. Would your books show that too?—A. I do not know that they would.

Q. What action did you take with reference to that deduction? Did you come to Ottawa to see about it?—A. No, sir.

Q. Did Mr. Grant come to Ottawa to see about it?—A. I do not remember his ever coming down here about it.

Q. Did he ever tell you he came down?—A. I don't think so.

Q. Did you ever ask him to come down?—A. No, I do not think so.

Q. Can you give us any reason why the deduction in the two places was not made at the same time?—A. No, sir.

Q. I suppose it was the duty of the inspectors on the dredge to see that this dredging was not done below depth?—A. I should judge so.

Q. It was their duty to sound the depth to which your dredge got, and when you got to the proper depth to remove the dredge?—A. Yes, sir.

By Mr. German:

Q. Do you know that as a fact, Mr. White?—A. I just took it for granted, I do not know, no.

Mr. GERMAN.—The inspector is simply to see that the scows are loaded to capacity.

Mr. STEWART.—Mr. Pratt says in his evidence that was their duty to take soundings if I recall it aright. Mr. Pratt swore on the last day that the Committee met that it was their duty to see that the dredging was done to the proper depth. You understand that to be the fact, don't you?—A. Well, if he said so.

THE CHAIRMAN: Who would do that, Mr. German?

Mr. GERMAN: The Resident Engineer in charge of the work.

By Mr. Stewart:

Q. Was there any resident engineer there, Mr. White, until the last two years?—A. I do not think there was, steady.

Q. That is what we mean by resident engineer, a man that stays on the work?—A. No, I do not think so.

Q. Then there was no resident engineer until the last two years?—A. Not that I am aware of.

Q. And the classification of the material and the quantities depended entirely upon the local inspectors?—A. That is what they were there for.

Q. And also, as Mr. Pratt says, the depth to which the dredging was done was under their control?—A. I do not know.

By Mr. Pringle:

Q. Your engineer on the dredge also kept a record?—A. Yes.

Q. That is all on file?—A. Yes.

By Mr. Stewart:

Q. Now then we know that these inspectors were laid off, or suspended, in the beginning of the following year for permitting this dredging below depth?—A. They were off a short time.

Q. You heard of that at the time?—A. Yes.

Q. That was the reason they were off?—A. Until the explanation was made as to how this occurred.

Q. Pending investigation and explanation of how this occurred?—A. Yes.

Q. How did they come to be re-appointed?—A. I don't know.

Q. Did you ever discuss it with Mr. Grant?—A. No, sir.

Q. Or with any other person?—A. No, sir.

Q. What action did you take in the matter?—A. I didn't take any action.

Q. What explanation did you offer as to this dredging below depth?—A. I never made any explanation.

Q. Was not something done on behalf of the Company to justify this dredging over depth?—A. Whatever was done was done by Mr. Pratt.

Q. You know nothing about it as to what he did?—A. No.

Q. You didn't discuss this matter with him?—A. I may have, in a general way, I do not recollect.

Q. This was a large item of money: is it not such a large item as would likely be discussed by you?—A. There is an explanation—very likely there was.

Q. Don't you know what the explanation was?—A. I have an idea.

Q. I want to know what you know about it. A. Well, I can tell you what I think about it.

Q. I don't want you think about it, I want to know if you know anything about it?—A. No, I don't.

Q. You do not know anything about it yourself?—A. No.

Q. You never investigated to find out?—A. No, sir.

Q. Although this is a matter involving thousands of dollars to your Company you never investigated it to find out how it came to be done. A. I left that in the hands of Mr. Pratt.

Q. You took no action at all?—

Mr. DAVIDSON: Do these files give any correspondence in reference to the appointment of the inspectors?

Mr. STEWART: I think there is some correspondence.

Mr. DAVIDSON: Who wrote the letters?

Mr. STEWART: I don't know just now.

By Mr. Stewart:

Q. Then the matter of dredging below depth was just allowed to drop in that way?—A. Just left in that way to Mr. Pratt.

Q. Now the conditions up there were really these: There were only two Companies, namely the Owen Sound Company and your own Company, who have been at work at Tiffin and Victoria Harbour in the last six or seven years? A. They are the only ones.

Q. The only two? And you began to work for the Owen Sound Company, or they began to work for you, as early as the year 1906? A. I think likely.

Mr. BENNETT: Which was it.

Mr. STEWART: The witness says he cannot tell.

Mr. BENNETT: Well, let us refer to the books.

Mr. STEWART: We will get that information when the books are placed at our disposal, I presume.

Q. Are you able to say whether they first worked for you, or your Company worked for the Owen Sound Company?—A. From what you have told me here today, and from the records that are in the Department, I would say that we probably worked for them.

Q. First?—A. First, I would say so.

Q. And that was as early as 1906?—A. I would say so.

Q. After that, in 1907, it has been brought to your attention that these tenders were put in at advance prices?—A. You said so.

Q. And no tender was put in by the Owen Sound Company at all for the work at Tiffin?—A. I don't know whether they did or not, the records will show.

Q. That is what the records show. A. Well then, that is right.

Q. Then was there a tender put in by the Penetanguishine Dredging Company for one of these works?—A. I could not say.

Q. Did you not hear about that?—A. They may have put in a tender, and there may have been other tenders.

Q. Did you not read the evidence given here by Mr. Pratt the other day?—A. I did.

Q. The tenders were in one envelope addressed by Mr. Grant, Secretary of your company?—A. So it seems.

Q. Have you discussed that with Mr. Grant since the last examination?—A. No, Sir, I have not.

Q. Have you discussed these matters at all with Mr. Grant since Mr. Pratt was examined?—A. No, Sir.

Q. Then the prices were advanced subsequently to 1907?—A. The prices advanced.

Q. Yes, slightly advanced.—A. Well, I believe they were.

Q. Your company got a higher price in subsequent years?—A. Possibly.

Q. And there were no tenders after the year 1907 by your company, were there?—A. Why, I think so, I think we put in a tender since.

Q. What was the last year in which you put in a tender?—A. I think we put in a tender in 1911 or 1912.

Q. That was a small bit of work, wasn't it?—A. Yes, not much.

Q. But for two or three years your contracts were renewed by the Department without tender, were they not?—A. Yes.

The CHAIRMAN.—Excuse me, Mr. Stewart. You spoke of a small tender having been put in in 1911. You had better have it specified.

By Mr. Stewart:

Q. For what work was that tender, Mr. White?—A. Why I think that was for some work that was done in front of the Canada Furnace Company.

By the Chairman:

Q. At Midland?—A. At Midland. And I think there was one in 1912, last year, if I remember right, for Honey Harbour. I am not certain but I think there was.

By Mr. Stewart:

Q. Honey Harbour, where is that?—A. It is about ten miles from Midland.

Q. It has no connection with Midland. Tiffin or Victoria Harbour dredging works at all?—A. No.

Mr. GERMAN.—There were no new contracts made, the existing contracts were extended.

By Mr. Stewart:

Q. The same prices were given to your Company in the subsequent years?—A. Yes, sir.

Q. There were no new tenders asked for?—A. No.

Mr. GERMAN.—There was no new contract made, it was the same contract.

Mr. STEWART.—The same contract or probably a new contract at the same prices.

Mr. GERMAN.—No.

By Mr. Stewart:

Q. Do you know whether it was a new contract entered into, or did you do the work for the same prices?—A. We did the work at the same prices.

Q. And were new contracts signed?—A. I don't think so.

Q. At the three places—Midland, Tiffin and Victoria Harbour—the quantities were obtained by scow measurement?—A. Yes.

Q. The classification of the material was done by the local inspectors?—A. Yes, sir.

Q. And the local inspectors determined the classification and the quantities in the scows?—A. It was their duty.

Q. And there was no resident engineer, as you have told us.—A. No, sir.

Q. And under these conditions about \$1,700,000 have been expended?—A. I presume likely that is right.

Q. Those are the figures that were given here the other day.—A. Yes.

By Mr. Lalor:

Q. I would like to know how the rock was removed by the dredges?—A. They have a drill and they used dynamite and broke up the rock, and then the dredges came in afterwards and picked it up.

Q. During the whole of this contract was the rock removed by drilling and by blasting?—A. Yes.

Q. During the whole time?—A. Any rock they had to remove was done in that way.

By Mr. Stewart:

When did your Company first get a drill for this work?—A. I could not tell you the year now,—I should judge in the year 1907 or 1908, somewhere about there.

Q. And you had some rock work prior to that time, had you not?—A. Why, I don't think so. There may have been boulders, probably some large boulders; they are classified as rock, I think.

Q. Do you know whether rock and earth were taken out at the same time in the scow?—A. Why I could not say as to that. I presume likely they have been.

Q. If that were the case you would see it, would you not?—A. I have never been down on the works. At least, I have been down but never spent any time there at all.

Q. Something was said the other day about the dividends paid by your Company. I am not going to ask you about that to-day, but I want to ask whether any part of your plant was paid for out of the earnings of the Company.

Mr. PRINGLE.—The Witness should not be required to answer that question. It deals with a private matter entirely.

Mr. STEWART.—Evidence has been given in regard to the dividends paid and this testimony should go with that to complete it.

Mr. PRINGLE.—We are an Incorporated Company, and according to the law have to file our reports. We do that annually and the reports are open to the inspection of the Government. What difference does it make in this investigation whether we appropriate part of the earnings of the Company towards the purpose mentioned or not.

Mr. GERMAN.—The witness can refuse to answer questions of that kind.

Mr. STEWART.—The other day a statement was made as to the dividends that had been paid by this company. It was in large measure volunteered by Mr. Pratt. He said what amount the company had paid, and Mr. Pringle, referred to the fact, or alleged, that no floating proposition on the lakes paid as small a dividend as this company. The matter of dividends bears, I presume, upon the amount of money that was placed for the purchase of plant out of the earnings of the company. I would like to see whether the prices charged were extravagant, or whether there had been an excess of quantities charged for over and above what had actually been taken out. It all throws some light on whether this expenditure was proper and just.

Mr. MCKENZIE.—I do not think it is an issue here, Mr. Chairman.

The CHAIRMAN.—The payment of dividends is more or less a matter of notoriety, but the question of appropriating any part of the earnings of the company to pay for plant is a matter of internal arrangement. Therefore it does not seem to me to be a question that the witness should be bound to answer. It seems to me that the question is whether this company is getting an exorbitant price for dredging or not. I can conceive of circumstances where a company could get three times what it should get for dredging and yet go into bankruptcy.

Mr. STEWART.—That is to say, it is a question of management.

The CHAIRMAN.—A question of management. That being so, I do not think the question is one that should be urged. Mr. Stewart, from your view of the case. If I am bound to give a ruling I would say the witness is not compelled to answer the question.

Mr. STEWART.—Perhaps later on I may bring circumstances to the attention of the Committee that would justify us in going into this matter. Now, I would like to take up with Mr. Pringle the question of the examination of the books of this company along the lines we suggested.

Mr. GERMAN.—There is just this one thing about the books. I happened to be a member of the investigating Committee in the McGreedy-Connolly case. I remember very well what was done in that matter in regard to the books of those contractors. Mr. Michael Connolly produced the books on that very table (pointing to table) and when he was asked to open them he smacked his fist down on the books and said: "No man would have a chance to look into those books." No person apparently had courage enough to go there and take the books away from Mr. Michael Connolly. The matter was reported to the House, and Mr. Connolly's solicitor appeared before the bar of the House and stated that Mr. Connolly was willing to have anything examined that was pertinent to the investigation. On the suggestion of Sir John Thompson a Select Committee was appointed to go through his books with his solicitors and to find just what was relevant and what was irrelevant, and all that was irrelevant was a sealed book so far as the Committee was concerned; and Mr. Connolly produced the books under these conditions and the report of the Select Committee is among the Sessional papers I have here. I suggest that counsel should go through these books and find what is relevant.

Mr. PRINGLE.—I am going to make a suggestion. I am quite willing to-morrow to take this trunk full of books and go over them with Mr. Stewart, and produce the book-keeper to facilitate us in getting at anything Mr. Stewart may want to go into; and if we disagree as to what is relevant or irrelevant, we will leave it to you Mr. Chairman, to say what should be produced and what should not be produced.

Mr. BENNETT.—Now, Mr. Chairman, there is an investigation involving the question of the subsidy to the Collingwood Dry Dock Company. The books were brought here and every member of the Committee had a perfect right to look into them. On that occasion, the Chairman—I think it was Mr. Clarke of South Essex—never dreamed of opposing the right of members to examine the books.

Mr. GERMAN.—The company did not object themselves.

Mr. BENNETT.—Because the company's objections were over-ruled. It was only when we came to a crucial point when it was alleged that the Government Engineer had received a bribe from the company. When the question was asked the witness whether he had seen a letter from the engineer, then the Committee voted that we had not the right to ask an engineer whether he had received \$10,000, and the question was left unsolved whether the engineer had got \$10,000 for approving of the plans which gained for the company a subsidy of \$300,000. Now, I submit that the Committee does not divest itself of any right to look through the books. The question of the dividends was introduced and the statement was made that the dividends only ran ten per cent for the last two years. Mr. Stewart has a perfect right to ask whether in any year the dividend exceeded ten per cent. Surely they cannot go away without saying whether it was twenty-five or fifty per cent in other years.

The CHAIRMAN.—They have given evidence of dividends?

Mr. BENNETT.—They have given evidence that there were dividends of only ten per cent in two, or perhaps three years. I submit Mr. Stewart has a right to ask the dividend of former years.

The CHAIRMAN.—We are confusing the issue here. We must first dispose of the question of the books. For my part, I think that it will be well not to attempt to cross the bridge until we come to it. You cannot lay down any rule in advance upon what occasions books are to be examined. After all, you come back to the same question, the question of relevancy, and that can only be determined in each individual case, so that, to my mind, objection must be raised when any particular question is up with respect to any item in any one of the books. The question of going into the books between counsel or with a Select Committee is one purely of arrangement, and in the absence of such arrangement being mutually agreed to, all I can say is that you will have to proceed with your examination.

Mr. LALOR.—It strikes me, as a layman in this Committee, that when the evidence is produced here to show that a company is making money and only paying a dividend of a certain amount, and the Committee has taken the stand to find out what that dividend has been, then I would certainly assume that there is something beyond the dividend to show whether they are making money, to show whether they are making 50 per cent and paying 40 per cent for extension and enlargement of plant. I think one depends upon the other. If you rule that the Committee has no right to find out what profits they are making, then of course, you rule out as to the extension of plant and the amount of money invested out of earnings in the plant.

Mr. GERMAN.—How absurd that would be if carried out to its logical conclusion. Any outsiders could come in here if they saw fit—I have no apprehension that anything of that kind is intended at present—and how easy it would be for another company to come in and get all the information from these books as to what business the Company are doing and how much they are making. The question is: Has there been any wrongdoing between the Department of Public Works and this Company. It does not make the slightest difference to this Committee whether they employed the Owen Sound Dredging Company to assist them in their work, or whether the Owen Sound Dredging Company employed this Company to assist in their work. The whole question is: Was the contract under which that work was taken a fair and proper contract, arrived at after proper advertisement and in the proper manner, and was everything straight as between the Department and this Company. That is all the public is interested in.

Mr. BENNETT.—If there was collusion between two companies presumably competing, is it not fair for the Committee to enquire into it?

Mr. GERMAN.—That must be brought home to the Department. The Owen Sound Dredging Company did not tender on the Midland work for the year 1907, as I understand. The Canadian Dredge and Construction Company did not tender in the year 1907 for the work at Tiffin or Victoria Harbour. That, I understand, is the situation. But, Mr. Chairman, I would suggest to this Committee the fact that there were other tenders put in for the work at Midland. The Canadian Dredge and Construction Company was not the only company that tendered on that work at Midland in 1907.

Mr. BENNETT.—That Company and the Penetanguishene Company.

Mr. GERMAN.—Let the secretary come here and explain that, I don't know anything about it. But what I say is this: speaking of the question of dividends, it is none of the business of this committee or of parliament whether this company paid a dividend or not. What we are to investigate is the bona fides of these tenders and the regulations of the company with the department.

Mr. EDWARDS.—If we can show that there was collusion between these companies, whereby the government lost \$10,000, \$20,000 or \$50,000, and that because of that col-

lusion and that loss to the government the dividends were increased from ten to say fifty per cent, surely that is pertinent.

The CHAIRMAN.—This discussion is interesting and has more or less to do with the subject, but I must submit that there is no question being put to the witness upon which I am called on to give a ruling at the present moment. I will find it sufficiently difficult to give a ruling when a specific instance arises, but I must refuse to hand out rulings on hypothetical questions, and I think it would be well to proceed with the examination of the witness. The question of dividends has not arisen to-day, so far. I was not present when that question arose at some other meeting, but if I am called upon to give a ruling with respect to dividends I shall have to do so. The only point raised to-day is the application of a certain part of the profits of this company to the purchase of plant. I have ruled that out because I do not see that it is germane to the discussion in any way. If the company paid for all or just a part of its plant out of its profits I cannot see that that has anything to do with the situation at all. It is a question of the internal management of the company. I can conceive a situation where a company would receive three times the proper price for work and yet go into liquidation by bad management.

Mr. STEWART.—Will you permit me to read what was said on the question of dividends? Here is the statement of Mr. Pratt.

The CHAIRMAN.—I do not see why this question is raised, because you have raised no question with respect to dividends.

Mr. STEWART.—I will ask the question, was any of the dividends paid by your company higher than 10 per cent? I will now read Mr. Pratt's reply to that question taken from page 41 of the evidence before this committee on January 23rd:

Q. You said yesterday, you would not mind giving us the dividends for this year?—A. Ten per cent.

Q. And the year before?—A. Ten per cent.

Q. And the year before that?—A. I cannot tell you off hand; I think our years have averaged about the same, including last year.

And again, on page 45, we have this:

Q. Something has been said about the ten per cent rate of dividend?—A. Yes, Sir.

Q. Is there a floating proposition on the lakes that pays any less than ten per cent dividend that you know of?—A. I know some that have paid larger dividends than we have.

Q. Larger dividends than you pay?—A. Yes.

Q. What is the total capitalization of your company?—A. \$607,000.

Q. And you have a very large plant?—A. The valuation of our plant is about \$850,000.

So that Mr. Pringle brought out there certain facts in connection with the capitalization of the company.

Mr. MCKENZIE.—If that was irregularly brought out it is to be a precedent for further investigation.

The CHAIRMAN.—I cannot see that this makes one particle of difference one way or the other. I don't see why the witness objects to answering the question.

Mr. GERMAN.—I don't know that he will.

Mr. STEWART.—He has.

Mr. MCKENZIE.—The only thing so far as you are concerned, Mr. Chairman, is to get within proper lines what is relevant. You are going on dangerous ground.

The CHAIRMAN.—It seems to me that Mr. Pringle would have saved the situation by objecting in a previous instance.

Mr. PRINGLE.—In order to facilitate matters and to save the time of this committee I am willing to-morrow to go into these books with Mr. Stewart and show him not only what is relevant but what is irrelevant. Let him make a thorough search and then

when it comes before the committee we can get a ruling. If Mr. Stewart thinks that matters which I consider irrelevant should be admitted we can then get a ruling of the chair. I will let him look at the dividends for the whole period if it is going to be any advantage, if this committee thinks the private affairs of the company should be gone into. It will be open to the chairman to make his ruling. That is as fair a proposition as I can make and I will be delighted to conduct the investigation. I would like now to proceed with the investigation of Mr. White.

Mr. DAVIDSON.—How can a counsel tell what is relevant or irrelevant? This cannot take place without the concurrence of the committee.

By Mr. Wright:

Q. What was the original subscribed capital of this company and how much was actually paid up by the stockholders of the company?

Mr. STEWART.—Mr. Chairman, I would like to have a person with some knowledge of accounts to look at these books. I do not profess to be a bookkeeper or accountant and cannot readily get the information I want.

Mr. PRINGLE.—Bring on all the bookkeepers you want. Our bookkeeper is here and he will help you. We will give you every opportunity to have a thorough investigation. We have nothing to hide in this matter.

Mr. BENNETT.—I would like to know your ruling, Mr. Chairman. The witness was asked whether a higher dividend than 10 per cent had been paid. Now this witness says I refuse to answer the question. Surely that is a matter for cross-examination.

The CHAIRMAN.—The committee will appreciate that I am in the chair only for to-day. I am not the regular chairman of this committee. He has given a ruling upon this point. So far as I am concerned I would prefer that a select committee be appointed and counsel appear before that committee. I believe by doing that you get a better examination from both points of view and take up much less time, and then there will be no possible chance of getting adverse rulings at different committees by having different chairmen. I do not shun the responsibility myself, but I think it would be wiser to make for continuity in this inquiry.

Mr. BENNETT.—On the question of dividends, can you not make a ruling?

The CHAIRMAN.—Mr. Pringle has set the whole matter before the Committee. The question shall be gone into.

Mr. PRINGLE.—I have asked that a sub-committee be appointed to go into this matter.

The CHAIRMAN.—As I understand it, Mr. Bennett, if there are any questions outstanding after a select committee has met, those differences can be settled by a ruling of the Chair, and it would appear to me, if the suggestion is agreeable to the committee, that the wisest course to pursue would be to have a select committee of three or five appointed to go into these books with counsel and any expert accountants that may be necessary. That is only my own idea.

Mr. MCKENZIE.—Would it be possible for counsel for the inquiry to submit to you the facts he wants to get from these books? He ought to have an idea of what it is he wants to get.

Mr. STEWART.—It is impossible to tell until we see the method or system upon which these books have been kept, and the dealings between these two companies. I cannot tell until we see what is in the books what we want to get.

Mr. MCKENZIE.—I really think they ought to have, by this time, an idea of what they want.

The CHAIRMAN.—They do not have to tell that, Mr. McKenzie.

Mr. STEWART.—Mr. Pringle says we can see everything. That is enough for the present. Then it will be for the committee subsequently, to say what is relevant and what is irrelevant to the inquiry. Now about the question of dividends. The admission was made, a statement was volunteered by Mr. Pratt, of his willingness to

state what that dividend was. That allowed me to go a little along that line, and I submit, Mr. Chairman, you would be only following the ruling made by the Chairman on that occasion in allowing me to go further along the line to-day by asking if there were any larger dividends, and also what they were.

The CHAIRMAN.—I think in view of the inquiry on the 23rd of January, and the ruling of the Chair on that point, if there is a ruling, at all events the implied ruling would permit that question.

Mr. PRINGLE.—The Canadian Dredging Company has only been in existence since 1910. For two years we have paid 10 per cent, this year we think we are going to increase the dividend, because the contract, renewed in the spring of 1912, has been a very satisfactory one, and it is possible we may have a larger dividend this year. In 1910 and 1911 the dividend was 10 per cent, that is the whole thing about the Canadian Dredging Company.

Mr. BENNETT.—It is the Company that was in existence before them.

Mr. PRINGLE.—Oh, well, the Company which was in existence before this Company has been out of existence since 1910, it is wound up and its business closed.

Mr. STEWART.—You see how this thing goes; one Company starts in and then another Company, they work together, one is absorbed, and later on another Company is incorporated that takes over the second Company.

Mr. PRINGLE.—We are a progressive people.

Mr. STEWART.—Exceedingly so: and all these are steps in the programme. If we are to be shut off at any one we do not get all the true facts of the case.

Mr. PRINGLE.—I would like to ask Mr. White a few questions.

By Mr. Stewart:

Q. I want to ask you, Mr. White, can you give us the dividends of the Canadian Dredging and Construction Company, the one that took over the Owen Sound Dredging Company?—A. I could not from memory.

Q. Can you give us any?—A. No, sir.

Q. You are a stockholder, aren't you?—A. Yes.

Q. A large stockholder?—A. Not so awfully large.

Q. A fairly large stockholder?

The CHAIRMAN.—Now there is confusion again, if you will pardon me for a moment. You have started out talking about a company that is now defunct, and you are asking him if he is a shareholder. The Company is defunct.

By Mr. Stewart:

Q. Or rather, you were a shareholder in that Company?—A. Yes, Sir.

Q. And you got a dividend from your stock in that Company?—A. Yes, Sir.

Q. Can you tell us what those dividends were?—A. No, I could not tell you off-hand.

Q. Can you remember any of them?—A. No, Sir.

Q. Did you get a dividend every year?—A. I think likely.

Q. And you cannot recall any of them?—A. No, I do not remember just what we paid in each year.

Q. Not in each year, but in any year, that is what I am asking you?—A. No, I said I have no single year in my mind just now.

Q. Have you any one dividend in your mind?—A. No, Sir.

Q. You are perfectly without recollection as to what your dividends were in that Company?—A. I would not like to say what they were.

Q. Have you any recollection, that is what I want to know?—A. No, I have not any, what the definite amount was.

Q. I did not ask you the amount, I asked you the rate.—A. Well, that would be the definite amount, we had no definite rate.

Q. You got some dividends, surely you can remember one of them. Can't you remember one of them at all?—A. No, I do not, any particular one, and I will be perfectly frank as far as that is concerned and say that I would not care to say if I did.

Q. Was it 25 per cent?—A. I would not say.

Q. Is that because you do not know?—A. I simply refuse to answer that question.

Q. You do know but you refuse to answer?—A. No, I do not say that.

Q. Do you know?—A. I would not say that.

Q. You said a while ago that you did not know; do you want to withdraw that, if you do you can give it now?—A. I cannot give you the different years.

Q. Do you know?—A. No, sir.

Q. You don't know?—A. No.

Q. Now if you did know you would not give any information?—A. No, I would not be inclined to at the present time.

Q. I asked you about the appointment of inspectors; do you know of any letters being sent down with reference to their appointment?—A. No, sir.

Q. I am told that Mr. Hacker was appointed on the recommendation of Mr. Spohn of the Penetanguishene Dredging Company?—A. He may have been; I think Mr. Hacker was on before I was in the business, that is my recollection, I may be mistaken in that but I think he was.

Q. Did you ever hear that he had been appointed in that way?—A. No, I do not know who appointed him.

Q. You know nothing about the correspondence in reference to that matter at all?—A. No, sir.

Mr. STEWART.—I think that is all until I can look into the books.

Mr. PRINGLE, K.C.—There are just one or two questions that I would like to put to Mr. White, I won't detain the Committee many minutes.

By Mr. Pringle:

Q. The Canadian Dredging and Construction Company, as you have told us, has been out of existence since 1910?—A. Yes, sir.

Q. It was absorbed by the newer organization of the Canadian Dredging Company?—A. Yes.

Q. Now my learned friend has made some insinuations that the price for rock in the tender of 1907 was a very high price. What was the price paid during the calendar year 1912 for rock at Honey Harbour? Perhaps I can refresh your memory.—A. I would have to look at the record.

Q. It was \$6.00. As I understand it that was the amount paid this year for rock at Honey Harbour, which is a distance of ten miles from Midland. That is what the contract shows?—A. Yes.

Q. Now my learned friend—

Mr. W. H. BENNETT (Simcoe).—Before you leave that, in order to save trouble, will you tell us how many tenders were received for the Honey Harbour work and what was the extent of the work done there.

Mr. PRINGLE.—I cannot tell you that, but I understand there was no competition in 1912.

Mr. BENNETT (Simcoe).—It was so small that no person would tackle it, and that is the reason they got six dollars.

By Mr. Pringle:

Q. Now there have been insinuations, Mr. White that in 1907, which after all is the foundation for your contract, that there was collusion between the Owen Sound Dredging Company and yourselves. Do you know the Randolph Macdonald

Company, it was then Randolph Macdonald, tendered for that work?—A. I understood there were several other tenderers but I did not know who they were.

Q. There was the Canadian Dredging & Construction Company at \$2.25 for rock, and 26 cents for other material. There was R. Macdonald at 33c. for other excavation, nothing for rock, and R. Wendell, \$2.50 for rock and 33c. for other material. Then on Midland-Tiffin, the Owen Sound Dredging & Construction Company tendered at \$2.00 for rock and 27c. for other material; R. Macdonald at 33c. for other material, nothing for rock; R. Wendell, \$2.50 for rock and 31c. for other material. So that the Canadian Dredging & Construction Company were the lowest tenderers for the work at Midland?—A. Yes, sir.

Q. And the Owen Sound Dredging & Construction Company were the lowest tenderers for the work at Tiffin?—A. Yes, sir.

Q. Being 50 cents a yard lower on rock and 4 cents a yard lower on other excavation. Now, these contracts were advertised for in the regular way?—A. Yes, sir.

Q. And these first tenders that were put in by yourselves, and others, for some reasons best known to the Department, were set to one side and new tenders called for?—A. I believe that is the way it was.

Q. And you were all informed that new tenders were called for? Was the price higher than the prevailing price for similar work throughout Canada and the United States at that time?—A. I could not say as to that.

Q. You cannot say as to that?—A. No, sir.

Q. Something has been said about the meals of inspectors. I am not going to waste any time over the meals of inspectors except that it was very convenient for you to have the inspectors on the dredge so that there would be no time lost in measuring up the material as the work went on.

The CHAIRMAN.—I prefer that you would put your questions as questions.

By Mr. Pringle:

Q. Something has been said as to the classification by local inspectors. I find from the vouchers furnished by the Auditor General's Department in connection with these payments that there is a certificate in the first place from the dredge engineer, and an affidavit? A. Yes.

Q. Then there are certificates from the inspectors?—A. Yes.

Q. Then there is the certificate from the District Engineer, J. G. Sing?—A. Yes.

Q. During the last two years was there or was there not a Resident Engineer on the work?—A. I believe so, yes.

Q. What was your engineer's name, do you remember?—A.. No, I do not.

Q. Then before the payment to you there is also the certificate, I see, from the Assistant Chief Engineer?—A. Yes.

Q. Attached to the vouchers from the Auditor General's Department in connection with this matter. Now a great deal has been said in regard to the Owen Sound Dredging Company doing some work for the Canadian Dredging & Construction with this matter. Now a great deal has been said in regard to the Owen Sound Dredging Company at times, and did or did not the Owen Sound Company employ the dredges of the Canadian Dredging & Construction Company?—A.. Yes.

Mr. PRINGLE.—That is all I want to ask the witness at present.

By the Chairman:

Q. Did your company have an agreement with the Owen Sound Dredging Company?—A. No, sir.

Q. With respect to the field in which you would tender?—A. No, sir, we did not.

Mr. FOSTER (Kings).—Who appointed the inspectors on these dredges.

The CHAIRMAN.—That question was gone into fully a little while ago, but I do not know that it was cleared up as to who made the appointment.

Mr FOSTER.—That will be cleared up, I suppose.

By the CHAIRMAN.—Will you say that there was no understanding between your company and the Owen Sound Dredging Company as to the sphere in which you would tender?—A. No, sir, not the slightest, so far as I know.

Q. Can you tell us upon what basis you performed the work for the Owen Sound Company, or upon what basis they performed work for you? Was it done on a percentage basis and did you share in the profits, or how was the payment made?—A. No. My recollection is that we were paid so much and they were paid so much.

By Mr. German:

Q. So much a day for the dredge?—A. I don't remember now. I am rather inclined to think it was so much a yard, but I may be mistaken in that.

By Mr. Lalor:

Q. Was that based upon the prices you were receiving from the Government?

Mr. PRINGLE.—We paid the same prices to the Owen Sound Dredging Company that we received. It was simply a matter of one company assisting the other. Instead of buying new plant, if they were out of work they lent us a dredge and we paid them just what we got from the Government. If we were out of work, and they were not, we would lend them a dredge and they would give us the same price that they got.

Mr. LALOR.—So you were very friendly with them?

Mr. PRINGLE.—Yes, certainly.

Mr. STEWART.—It was suggested by Mr. Pringle in his examination of the witness that attached to the papers here was an affidavit of the engineer on the dredge.

Mr. PRINGLE.—No, a certificate.

Mr. STEWART.—There is no affidavit or certificate attached to the documents themselves.

The CHAIRMAN.—Mr. Pringle has made a correction and now agrees to the word certificate.

By Mr. Stewart:

Q. I produce to you the weekly report of the operations of the dredge "Leland" at Tiffin. It is signed by Mr. Hacker and Mr. Cornett. Who is Mr. Cornett?—A. I presume he was the engineer on the dredge, although I could not say, I am not acquainted with him.

Q. You see that the report is just signed. It does not appear to be sworn to at all by the engineer of the dredge. (Exhibiting document to witness.)—A. (After examining report). It is just signed.

Q. The only affidavit or declaration that you find upon that return is by Mr. W. H. Hacker?—A. Yes, sir.

Mr. MCKENZIE.—Is this not altogether a departmental procedure with which this witness is not familiar?

Mr. STEWART.—I am endeavouring to clear up the statement made by Mr. Pringle that these returns were all sworn to.

Mr. MCKENZIE.—What does this witness know about the Departmental procedure?

The CHAIRMAN.—It is purely a question of getting the return on a record. I think the witness can testify with respect to it as well as anybody else. He is looking at the return and he is quite competent to give this evidence.

Mr. MCKENZIE.—I would not feel satisfied with his opinion on these matters.

Mr. STEWART.—I show you another return on June 17th from the same dredge and you see there is no affidavit upon it. (Exhibiting document to witness.)—A. (After examining document) No affidavit, no, sir.

The CHAIRMAN.—It has been admitted by Mr. Pringle that there was no affidavit made in connection with these returns, but a certificate.

Mr. STEWART.—Very well, we will take it that way.

The CHAIRMAN.—It is a question of getting this on record.

By Mr. Davidson:

Q. Can you remember of a single dividend over 10 per cent on either of these two contracts in which you were interested?—A. I object to answering.

Q. You cannot remember it?—A. I do not say that; I refuse to answer the question.

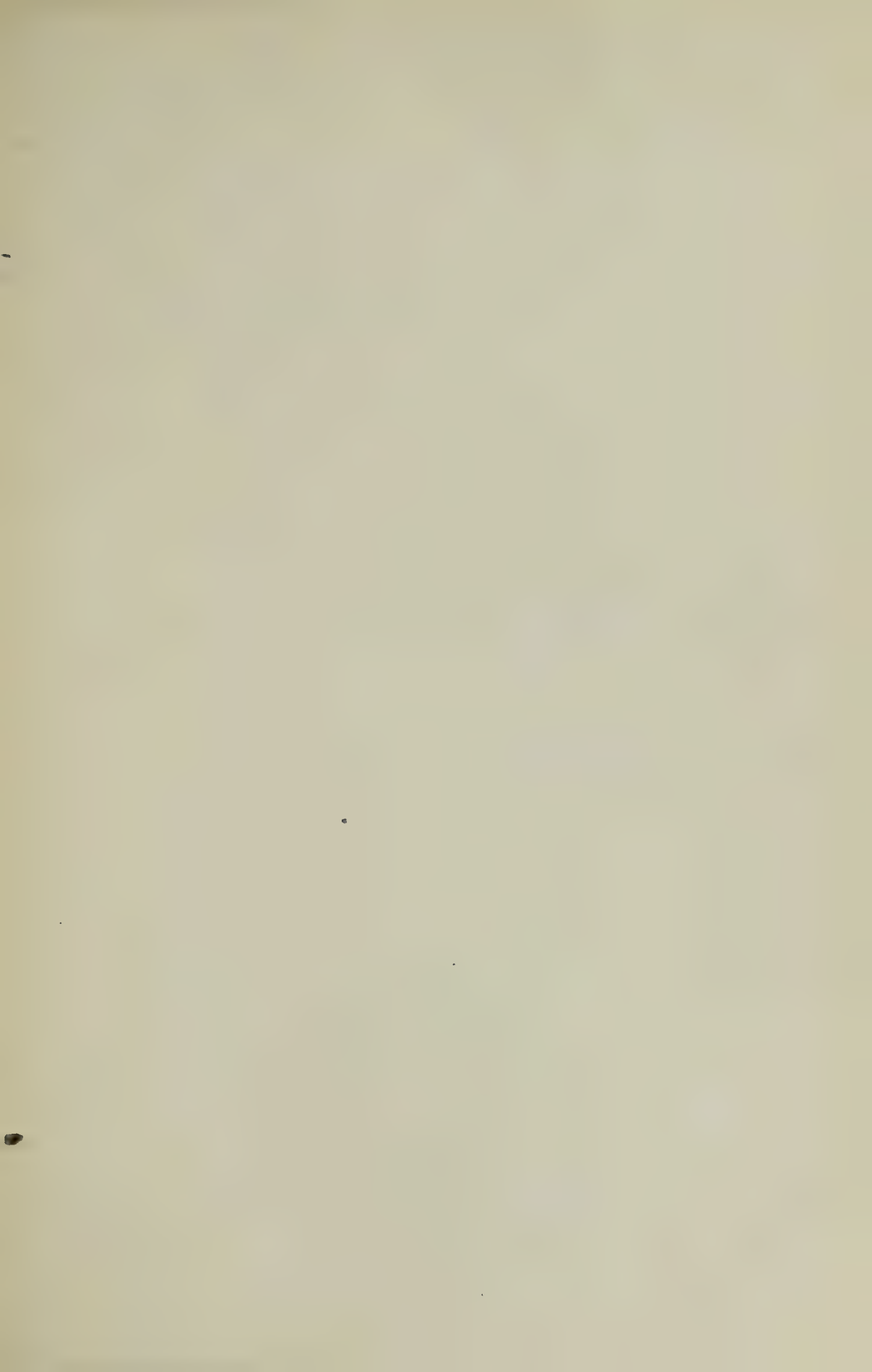
Q. I think you said before you could not remember?—A. I do not; it is a question of any one particular dividend.

Q. I am asking do you remember any dividend over 10 per cent?—A. I refuse to answer the question.

By Mr. Lalor:

Q. Is the engineer of the dredge an official of the Dredge Company and paid by them?—A. He is paid by the Dredging Company.

Committee adjourned.



EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

DREDGING IN MIDLAND, TIFFIN AND VICTORIA HARBOURS

No. 4—FEBRUARY 6, 1913



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1913

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

COMMITTEE ROOM, No. 100,

OTTAWA, February 6th, 1913.

The Select Standing Committee on Public Accounts met this day at 10.30 o'clock, a.m., the Chairman, Mr. Middlebro' presiding.

The Committee proceeded to the further consideration of a payment of \$255,-509.41, in connection with dredging at Tiffin, Ontario; and Victoria Harbour, Ontario; as set out at page V—36, Report of Auditor General for year ended March 31, 1912.

Mr. D. L. WHITE recalled.

Q. Mr. White, you are still sworn, and you were here the day before yesterday and I have read over your evidence and I find that you forgot a good many things or were unable to give definite answers to many of them. This is so, is it not?—A. Certain facts, yes.

Q. We endeavoured to get access to the books which you brought down here in this trunk and during the course of that effort some facts may have been brought to your attention by Mr. Pratt. I am going to ask you about some of these. I asked you the other day if you had any travelling expenses as the President of the Company.—A. In connection with the Company, yes, sir.

Q. What was your answer?—A. I said I did not remember of any being paid.

Q. Well, you heard Mr. Pratt say yesterday that you had put in an account for \$200 in that behalf?—A. He recalled that to my mind.

Q. I am going to ask you what those travelling expenses were, Mr. White?—A. They cover a period of three, four or five years. I should judge. Whether they went to pay for coming to Ottawa or Toronto or Buffalo, I could not say.

Q. Where did you travel on behalf of the Company?—A. You are asking me something pretty hard. I may have gone to Toronto.

Q. You don't know where you may have gone?—A. I shall be obliged to say that I don't recollect.

Q. Can you recollect any place where you went or travelled from Midland on the business of this Company in the last three or four years?—A. I may have gone down to Toronto or Buffalo or Ottawa or Montreal.

Q. Can you recollect going to Ottawa?—A. No, I do not know; I would not like to say that I could.

Q. Can you recollect going to Toronto?—A. The chances are I could not on any definite business. No, sir.

Q. Can you recollect at any time going to Toronto?—A. I cannot say I went to Toronto or any place else.

Q. Can you recollect going to Buffalo?—A. I could not say.

Q. What would you go to Buffalo for?—A. I do not know.

Q. What would you go to Toronto for?—A. There may have been different things.

Q. Can you recall anything at all?—A. No, sir, I cannot.

Q. Are you all here, Mr. White?—A. Well, I should think so.

Q. Have you left your memory at Midland?—A. No, sir, I have not, but I cannot go back four, five or seven years.

Q. I am not asking you to. Would you tell us one place?—A. I would not like to say.

Q. Why?—A. I cannot recall it definitely.

Q. Can you recall any definite mission at any time within the last six years?—A. I have gone several places.

Q. You can recall no definite place?—A. No, sir.

By Mr. Morphy:

Q. For this account that was put in, were there any details?—A. I do not think so.

Q. Why not?—A. I have forgotten anyway whether they were put in or not.

Q. Was the amount \$200 in one item?—A. Yes.

Q. You remember that?—A. Not until Mr. Pratt recalled it.

Q. He did not tell you it was one item?—A. He said the amount was \$200.

Q. For what?—A. Travelling expenses.

Q. Where?—A. He did not say.

By Mr. Stewart:

Q. Now, Mr. White, an item appeared in a running expense account in your books, do you remember that?—A. A running expense account?

Q. Yes. These travelling expenses appeared as a running account in your books. Mr. Pratt saw that?—A. No, I don't think he did.

Q. Where are they entered?—A. I presume in some account.

Mr. GERMAN.—Do you think, Mr. Chairman, that this committee is concerned with the expense account of this company or any other, or with what is paid for travelling expenses on behalf of the company? What has this committee got to do with that? Why are we encumbering the record with these things?

Mr. STEWART.—My reason for asking those questions was to show that the trips were in connection with the payment of inspectors.

Mr. PRINGLE.—I think the objection raised by the honourable gentleman was correct. I was just going to rise myself in regard to that. At the last meeting here we had this question of the internal management of the company up, and the Chairman made this statement: "If the company paid for all or just a part of its plant out of its profits, I cannot see that that has anything to do with the situation at all. It is a question of the internal management of the company." Now I want to say that this position is unique—a position I have never seen in a committee in all my experience. We have here to-day a gentleman representing not the committee, but the Public Works Department, my friend Mr. Stewart. If there is anything pertaining to their department before the committee they have a perfect right to engage him. They certainly have the right to have a representative here, but that representative must stay right in the position that the representative of the Public Works Department was in say in the Tarte-McGreedy case, for instance. He watches the proceedings on behalf of the Public Works Department and if there is anything pertaining to the Public Works Department coming before the committee then he has the right to intervene. But how far are the Public Works Department interested in this case? As was stated by one of the honourable members of this committee at the last meeting, the position was this: Was the contract under which that work was done a fair and proper contract. Was it properly advertised, and was everything straight as between the Department and this company? That is all the public is interested in.

Now there is no question about that. I had an opportunity at the last meeting of bringing before the Committee the only case in which this matter was thoroughly gone into, and that was the Tarte-McGreedy case. It was very fully discussed in the House and principles were laid down as to what evidence was admissible and what was not admissible.

The CHAIRMAN.—As I understand it, counsel is examining this witness with the object of finding out whether this company paid anything to the inspectors who inspected their work. Is that your object, Mr. Stewart?

Mr. STEWART.—Yes.

Mr. PRINGLE.—If there was any fraud in the payment of these inspectors I dare say he has a right to go into that.

The CHAIRMAN.—Don't go so far as to use the expression 'fraud.' I don't like that word.

Mr. GERMAN.—Why should we encumber the record with all this?

Mr. STEWART.—I am trying to prove that Mr. White travelled down here on certain days for that purpose.

Mr. PRINGLE.—He has already sworn he had nothing to do with it.

Mr. DAVIDSON.—He has sworn he had no memory of it.

By Mr. Stewart:

Q. Coming back to these books, I want to ask you, Mr. White, if the details of that account are shown therein?—A. I do not think so.

Q. Do you remember you stated yesterday afternoon that the voucher for that was not here?—A. To whom did I state that?

Q. In the presence of Mr. Pringle and myself, when we were examining these books. You stated that the items appeared in the books but the vouchers were at Midland?—A. I think you must have been examining somebody else.

Q. You did not make that statement?—A. I think you were talking with Mr. Pratt.

Q. Did he say it?—A. That the vouchers were at Midland? I heard him make a statement that he had turned in all vouchers.

Q. Did you hear him make that statement that they were at Midland, not here?—A. No, sir, I did not.

Q. Is it a fact?—A. I could not say.

Q. Have you the vouchers here?—A. I have a lot of books and papers but I do not know what is in them. I don't keep the books.

Q. We went through these books and do you remember stating that only the books of the Canadian Dredging Company for the last two or three years are here?—A. I may have done so.

Q. The regular books of account of the Canadian Dredging Company are not here?—A. No, sir.

Q. What books did we have?—A. I think what is called the working book.

Q. That is, a book showing the day's work of the dredges, the place they worked at, and so on?—A. Yes, sir.

Q. Why did you not bring the books of the Canadian Dredging and Construction Company?—A. I could not find them.

Q. Did you look for them?—A. I did.

Q. Where did you look for them?—A. In Mr. Grant's office.

Q. Did you inquire for them?—A. I did.

Q. From whom did you inquire?—A. From Mr. Allen.

Q. The bookkeeper?—A. The bookkeeper of the Canadian Dredging Company.

Q. Can't you get any trace of them?—A. No, sir.

Q. Was that the only search you made?—A. That was all.

Q. When did you see them last?—A. I haven't seen them for two or three years.

Q. Have you any idea where they are?—A. No, sir.

Q. Did you ask Mr. Pratt where they were?—A. I do not know.

Q. Didn't you make any efforts to look for them at all?—A. I did.

Q. Except what you have told us?—A. Yes, sir.

Q. You were ordered to produce all the books?—A. I tried to get them.

Q. They are not here?—A. No.

Q. You heard Mr. Pringle on the occasion of our last meeting give this undertaking? (I am quoting from page 174 of the typewritten evidence) 'In order to facilitate matters and to save the time of this committee I am willing to-morrow to go into these books with Mr. Stewart and show him not only what is relevant but what is irrelevant. Let him make a thorough search and then when it comes before the committee we can get a ruling. If Mr. Stewart thinks that matters which I consider irrelevant should be admitted we can then get a ruling of the Chair. I will let him look at the dividends for the whole period if it is going to be any advantage, if this committee thinks the private affairs of the company should be gone into. I will be open to the Chairman to make his ruling. That is as fair a proposition as I can make and I will be delighted to conduct the investigation.'

Q. Now then, we met here in the afternoon and you refused to allow us to go into those books, didn't you?—A. Yes, certain things.

Q. You refused to carry out that undertaking of Mr. Pringle's?—A. In one thing I did. You wanted our cheque book laid on the table. You asked for it, I asked why?

Q. You refused to put the cheque book on the Table?—A. I did.

Q. And you stock book?—A. No, I don't think so.

Q. You will swear you did not refuse?—A. The stock book was never mentioned to me.

Q. You refused to give particulars of your capitalization, didn't you?—A. I certainly did.

Q. You refused to give particulars of the valuation of your plant, didn't you?—A. I don't think you ever asked me that question.

Q. Didn't I ask you particulars regarding the valuation of your plant?—A. Not personally.

Q. Didn't I ask Mr. Pratt?—A. You may have done so.

Q. And was I not told that particulars would not be given?—A. I could not say.

Q. Did you hear anybody say that?—A. No, sir.

Q. Were particulars furnished?

Mr. PRINGLE.—This is hardly fair.

By Mr. Stewart:

Q. Was I furnished with that information, Mr. White?—A. I do not know.

Q. It was because somebody refused?—A. I could not say.

Q. Did not somebody refuse?—A. If they did I did not hear them.

Q. You were in the room here, were you not?—A. I was.

Q. And don't you know that we wanted to get at that and somebody refused, either you or Mr. Pratt? Will you deny that?—A. I won't deny it.

Q. I did not get the information, you know that?—A. I think that is right.

Q. I could not get it, somebody refused.

Mr. GERMAN.—Did he refuse?

Mr. STEWART.—He does not know.

Mr. WHITE.—I refused to put the cheque book on the table.

Mr. PRINGLE.—What is the use of prolonging this discussion? Mr. Stewart and I thought we arrived at an arrangement but we have agreed to disagree. Mr. Stewart wanted to go into the internal management of this company. He first wanted to know about dividends and all that sort of thing and I took the ground that those matters were privileged. We had given the two dividends for 1910-11 but Mr. Stewart wanted to go back over a long period of years in connection with some other company. The only company before this committee at the moment is the Canadian Dredging and Construction Company, and I said to Mr. Stewart we will only produce those other books on the ruling of the Chairman of this committee.

Mr. GERMAN.—The only authority that can compel the witness to produce those books, if he refuses, is the House of Commons.

Mr. STEWART.—Mr. Pringle, you are not carrying out your undertaking.

Mr. PRINGLE.—I found my client took the position that he had no books of any company except the Canadian Dredging and Construction Company, which was incorporated in 1910. Secondly, there was nothing I could show you.

Mr. EDWARDS.—You made a certain undertaking in the presence of Mr. White.

Mr. PRINGLE.—And I have carried it out.

Mr. EDWARDS.—And Mr. White made no objection to that undertaking which you gave. Subsequently you did not carry it out because of objections made by Mr. White. That is a clear misleading of the committee.

Mr. STEWART.—The books of the other company were not here.

By Mr. Stewart:

Q. You will make another search for these books and inquire of Mr. Grant?—A. I certainly will as soon as he is able.

Q. Yesterday you refused to leave the books that we were examining in this room?—A. Yes, sir.

Q. You would not leave them in the custody of the committee?—A. I said I would rather take them away.

Q. You took them away from this room and they have not been here since?—A. No, sir.

Q. When did you bring them back?—A. This morning.

Q. You remember also that Mr. Pratt said one of the inspectors appointed during the last two years had paid something for his board while on your dredge?—A. No.

Q. Did you hear him say Mr. Jones had paid \$40?—A. You were having a conversation with Mr. Pratt and I did not hear it.

Q. You were right close?—A. No, I was at the other end of the room and you and Mr. Pratt were here at the table.

Q. Why, you sat close to us?—A. Excuse me, I was away at the other end of the room.

Q. You say you didn't hear it?—A. No, sir.

Q. Did you hear him say the other inspectors appointed last year were being charged for their board?—A. I did not hear anything about the inspectors at all. I was not even in the room.

Q. You didn't hear anything about that part of it at all?—A. No, I didn't hear anything in that respect.

Q. You did not hear him say that they were being charged at all?—A. I heard no conversation that you had with Mr. Pratt at all.

Q. Now then, we will come down to this tender of 1906. You remember you were unable to give us the date when your first dredge the *Monarch* came to work. I told you I thought it was in the summer time. We turned it up and found she arrived on the 19th of August, 1906. You remember that?—A. I don't remember the date but it would be about that, I think.

Q. That was in August, 1906?—A. I think about that time.

Q. Now you put in a tender in May of that year, did you not?—A. Whenever it was called for we put it in.

Q. Early in the season, was it not?—A. Yes, sir.

Q. And at that time you had no dredge?—A. We had one under construction.

Q. Which did not arrive until August?—A. Yes.

Q. You were not in a position to do any work at that time until the new dredge arrived, and your dredge the *Monarch* worked at Tiffin that year, did it not?—A. The record would show.

Q. Was not that what we found out the day before yesterday?—A. I don't remember that.

You were with us, you were right at the table here?—A. Excuse me, I was not, I was at the other end of the room.

Q. Oh well, we will pass that.—A. It was you and Mr. Pratt who had that conversation and you are trying to bring me into it.

Q. Now your first tender was \$4 for rock, was it not?—A. I believe so the tenders show.

Q. That is what you swore to the other day?—A. Whatever the tender shows I will admit.

Q. And 80c. for other material, was it not?—A. Whatever the tender shows.

Q. Was that in it?—A. I would not like to say, but if the tender shows it I will admit it.

Q. I asked you how you arrived at those prices and you said the work must be worth it. On what did you base your estimate for this work?—A. I told you it all depended on the material to be removed and where the work was to be done.

Q. Well, on what did you base your opinion as to the \$4 and 80 cents?—A. I could not tell that now.

Q. You said you thought it worth \$4.00 and 80c. and yet you accepted the work at \$2.25 for rock and 26c. for other material, did you not?—A. We took the work at those prices.

Q. At some other place?—A. At Tiffin.

Q. It was the same place?—A. No, I think the first tender was for Midland and the second one for Tiffin.

Q. They were for the same place?—A. I could not say.

Q. Both these tenders were for Midland—the \$4.00 and 80c. and the \$2.25 and 26c.?—A. Yes.

Q. That is so, is it not?—A. Why, the records will show.

The CHAIRMAN.—I have an important appointment at 11.30 and with the permission of the Committee I would ask Mr. Rhodes to take the Chair.

The Chairman retired and Mr. Rhodes took the Chair.

By Mr. Stewart:

Q. Now one reason that you gave us was that you thought it was worth that; now with the experience of your company in having carried on the work at a much lower price do you think it was worth any such prices as named in your tender?—A. It all depends on where the work was to be done.

Q. It is the same work. —A. Excuse me, there are different materials within a few hundred yards of each other right there at Midland.

Q. These two tenders covered the same work?—A. How do you know it does?

Q. I know it and you know it?—A. No, I do not.

Q. You know it is the same work?—A. No, I do not and you do not know it either.

Q. I do very well, I know it is the same place and the same work?—A. It may be the same place but different material altogether.

Q. Now then to come down to 1907. You put in a tender at \$2.40 for rock and 53 cents for other material?—A. Where was that.

Q. That was at Midland?—A. Very likely.

Q. And then in the same month and for the same work you tendered at \$2.25 for rock and 26 cents for other material?—A. Very likely.

Q. That is most erratic tendering is it not?—A. No, sir.

Q. Why?—A. Because it may have been different material.

Q. No, it says it is the same work?—A. How do you know it was not different?

Q. Well, I am going to ask you whether it was at the same place or not, because Mr. Pratt has sworn it was?—A. It was Midland.

Q. Was it not at the same place?—A. I would not like to say.

Q. If tenders for the work were first asked for in May and a second tender was asked for a little later in the same month?—A. The Department may have asked for tenders—

Q. Wasn't that the same work?—A. I would not like to say that.

Q. Would you say it was not?—A. No, I would not.

Q. Mr. Pratt says it was?—A. I don't know whether he did or not.

Q. I give you my word he did; now that was the same work, wasn't it and that shows most erratic tendering.—A. I don't think it could have been the same work.

Q. Do you say you do not think it was the same?—A. No, I would not think so.

Q. You don't think it was?—A. No.

Q. Why not?—A. Because when the second tender was asked for it might have included more work than the first tender.

Q. But it did not?—A. You don't know that.

Q. Supposing it was the same work would it not be erratic tendering?—A. I suppose you could change your mind if you wanted to.

Q. Why would you change your mind for the same work?—A. I don't believe it was the same work.

Mr. EDWARDS.—It has been clearly established that it was.

By Mr. Stewart:

Q. Is that the only reason you can think of that made you change your mind, that it was different work?—A. I would say so.

Q. You say that was the only reason, that it was different work so that if it was the same work there would be no good reason for it, isn't that so?—A. Well, I—

Q. Then you will have to admit that these first prices look very much like a bluff, don't they, \$4 for rock and 80 cents for other material?—A. It all depends upon where this work was to be done.

Q. But it was the same work?—A. You say so, but you do not know whether it was or not.

Q. But is it not a bluff if it was the same work?—A. I don't believe it was the same work.

Q. But if it was, what then? What about it then?—A. I do not know whether it was.

Q. But I am asking you supposing that it was for the same work?—A. Well, if it was we probably knew more about the business then.

Q. When?—A. When we made the second tender.

Q. Then you put in the first tender without knowing anything about it?—A. No, we did not, we put in a tender for what we thought it was worth.

Q. How did you arrive at what you thought it was worth?—A. I do not know.

Q. Then you just guessed at it?—A. I wouldn't say that.

Q. But you cannot recall anything you did in order to find out whether it was a proper price?—A. I would not like to say so.

Q. If you cannot recall anything of the kind it looks like a bluff doesn't it?—A. No.

Q. Now, Mr. White, I want to show you one or two tenders here in the year 1907—is your eyesight fairly good?—A. Well, I will put on my glasses.

Q. Have you them with you?—A. I have.

Q. Then put them on, I hope your eyesight is better than your memory—do you think it is?—A. No, I don't know that my memory is bad.

Q. Have you read your evidence on the previous day?—A. No, I have not.

Q. Well, I hope your eyesight is better than your memory judging from the evidence.

Mr. CHISHOLM (Antigonish).—I do not think you have the right to speak to the witness that way.

Mr. PRINGLE, K.C.—I was just about to make objection when the hon. member interposed. I think my client has a right to be protected against such remarks.

Debate followed.

Examination of witness resumed.

By Mr. Stewart:

Q. I produce you the tender of the Canadian Dredging and Construction Company dated the 4th day of May, 1907, at Midland, signed by F. W. Grant. Do you recognize his signature?—A. Why it looks like it.

Q. Have you any doubt about it?—A. I would not say that (after examining document) I think it looks like it.

Q. Would you look at it, you have your glasses on. Is that his signature?—A. I would not swear to it, but it looks like it.

Q. Have you any doubt about it?—A. I would say it was.

Q. Look at the word 'Waubashene' in that tender (pointing to tender)?—A. Yes.

Q. Is that in Mr. Grant's handwriting?—A. (After examining document) I could not say.

Q. Look at the figures '\$3.50' and '18', is that in his handwriting?—A. I would not like to say.

Q. Why not?—A. Because I do not know.

Q. You don't know his handwriting?—A. I have seen it often.

Q. Now turn to the tender for Midland of the Canadian Dredging and Construction Company of the same date, signed by the Canadian Dredging and Construction Company, F. W. Grant, Secretary Treasurer. Is that his handwriting?—A. It looks like it.

Q. It is undoubtedly the same signature as that on the previous tender, is it not?—A. They look alike, yes.

Q. There is no doubt about that, and the figures look just the same as those in the other tender, do they not? The same handwriting?—A. Why, no, that and that (pointing to the tenders) doesn't look like that.

Q. Now you are getting mixed. There is no question that those are Mr. Grant's figures?—A. They seem to be, I would not like to say.

Q. I notice that on one occasion you signed a tender as President, and that later on they are signed by Mr. Grant as Secretary Treasurer alone, how did that come, do you know?—A. No.

Q. You cannot explain that. Now the envelope attached to those two tenders I have just mentioned marked 'Midland' and 'Waubashene,' whose handwriting is on that?—A. I would not like to swear.

Q. Do you know whether it is Mr. Grant's handwriting?—A. I do not.

Q. Look at it carefully—A. I have seen it; you want me to swear that it is his handwriting?

Q. I want your opinion on it.—A. You want me to swear to it.

Q. Well, first I will ask you do you know whose handwriting it is?—A. No, I do not.

Q. Does it not look like Mr. Grant's? Doesn't it look like 'Midland' that is in here (pointing to tender)?—A. No, these two do not look alike.

Q. Now look at the word 'Waubashene,' how does 'Waubashene' here compare with that (indicating tender)?—A. Waubashene looks more like it than on the Midland tender.

Q. And the word 'Waubashene' in the tender looks very much like that in the envelope?—A. Considerably.

Q. Now we will come to the tender dated 4th May, 1907, by the Penetanguishene Dredging Company by Mr. D. H. Spohn, Secretary Treasurer. Now, Mr. White, I

am going to ask you to compare the 'Waubashene' in that tender with the 'Waubashene' in the tender by the Canadian Dredging and Construction Company and see what you have to say about that. Do they not look very much alike?—A. No, they do not look such an awful lot alike.

Q. Not such an awful lot alike. They look some alike.—A. Oh, no.

Q. They look a good deal alike, don't they?—A. No.

Q. They look some alike?—A. Well, they agree.

Q. That is a pretty good admission for you to make. Now we will take the Midland tender by the same Company dated 4th May, and we will compare that with the Midland tender by your Company and again I will ask you, do they not look alike, a good deal alike?—A. (After examining tenders) No, they do not.

Q. You say they do not look alike?—A. They do not look alike.

Q. Not at all?—A. No.

Q. Not a bit alike?—A. No.

Q. You say they do not look a particle alike?—A. No.

Q. Well, Mr. Pratt said they did, these two.—A. That is all right, he is entitled to his opinion.

Q. Now we will take the envelopes attached to these two tenders of the Penetanguishene Dredging Company and compare those with the envelope accompanying your tender, do they not look alike, a good deal alike?—A. No, they do not.

Q. Not a bit alike?—A. No.

Q. Is that your opinion?—A. Yes.

Q. What is the difference between them?—A. I do not think there is any comparison between them at all.

Q. What difference do you find between them?—A. They don't look alike.

Q. In what way don't they look alike?—A. You can see for yourself.

Q. No, you are the witness, it is for you to say. In what respect do they differ?—A. Just as one handwriting seems to differ from another.

Q. You think they are entirely separate and distinct handwritings?—A. They certainly look like it. That does not look like it at all (indicating document) that 'Midland' and this 'Midland.'

Q. What is the difference?—A. Well, there is a difference between the handwriting, and I would say they are not the same.

Q. Now take 'Waubashene' on these different envelopes, don't they look very much alike?—A. There seems to be more resemblance there than there does about 'Midland.'

Q. Yes, a good deal more, isn't there?—A. Yes.

Q. Now, can you tell us why Mr. Grant was putting in tenders for these rival companies?—A. No, I could not.

Q. Or why the envelopes were handed in in the same handwriting?—A. I know nothing whatever about it.

Q. You never heard of it before?—A. No.

Q. And you never discussed it with him?—A. No, sir.

Q. Peculiar, isn't it?—A. Not a bit.

Q. Is it not peculiar that the Secretary Treasurer of your Company should have his handwriting in the tenders of the Penetanguishene Dredging Company?—A. He may have been acting for them for all I know.

Q. But it would be peculiar if he was, wouldn't it?—A. I don't know.

Q. It would be peculiar if he was putting in tenders for two companies?—A. I don't know.

Q. You would not consider that peculiar?—A. Well, no.

Q. You would not consider it wrong?—A. No, I think he had a perfect right to do so.

Q. Would it not indicate collusion between the two companies if he did?—A. No.

Q. What would it indicate to you?—A. He had a perfect right to do it if he wanted to; he might have been asked to put in a tender for them.

Q. Did you ever hear that he was asked to do so?—A. No.

Q. Who would ask him, Mr. White, to do that?

Mr. GERMAN.—Might I ask a question, what difference would it make if he simply put in a tender at the request of other people, they having determined the figures to be inserted in the tender—is it assumed that is what happened?—A. No, I could not say whether it did happen.

Mr. GERMAN.—I do not suppose it is conclusive that he made out the tender even if he did put it in; the Company may have made out their tender and asked him to put it in.

By Mr. Stewart:

Q. The envelopes of these tenders, delivered at the Department, being in Mr. Grant's handwriting would be peculiar, wouldn't it, Mr. White? Wouldn't it be peculiar now.

Mr. EDWARDS.—You said that he might have been asked by the other Company to put the tender in. Who would ask him?—A. I could not say, unless some of the officers of the Penetanguishene Company might ask him.

Q. You are connected with that company?—A. No, sir, I am not in any way connected with it.

By Mr. Stewart:

Q. These tenders are for the same work, are they not?—A. I would not like to say that.

Q. But they are, you have no doubt about it?—A. I did not notice when you were showing them to me whether it was the same work or not.

Q. Do you think it would be peculiar for rival companies to be putting in tenders that way for the same work?—A. Oh, I do not know, there are lots of other companies besides those two.

Q. But I am asking with reference to those two companies that we are dealing with. Don't you think it is peculiar for two companies tendering on the same work, apparently rival companies, to have their tenders made out and delivered by the one man; don't you think it is peculiar?—A. You will have to ask Mr. Grant about that.

Q. But I am asking you about it.—A. I do not know that I am obliged to answer that question.

Mr. EDWARDS.—I object, Mr. Chairman, I think he is obliged to answer that, it is a fair question.

By Mr. Stewart:

Q. I ask you, Mr. White, if it is not peculiar that the tenders of rival companies for the same work were filled up by one man and the envelopes containing the tenders addressed by the same man?—A. I would not like to say they were.

Q. I am assuming that they are.

The CHAIRMAN.—I think the witness said he did not see anything peculiar about it; you will find that in the evidence.

Mr. STEWART, K.C.—He seems now to decline to answer that question.

The CHAIRMAN.—I think you will find it recorded in the evidence that the witness stated there was nothing peculiar about it, that Mr. Grant had a perfect right to put the tenders in.

Mr. EDWARDS.—But if that is so that the tenders were put in in the same handwriting does not that in his opinion lead to the conclusion that there was collusion?

The CHAIRMAN.—That is a different point.

Mr. STEWART.—I submit that I am endeavouring to arrive at that by asking his opinion.

The CHAIRMAN.—That is quite right, and he says in his opinion there is nothing peculiar about it.

Mr. EDWARDS.—Does Mr. White say that in his judgment there is nothing peculiar about the two companies putting in their tenders in that way, or does he say that in his judgment there is nothing peculiar about those tenders evidently coming in from the two companies in the same handwriting?

The CHAIRMAN.—Assuming that they are.

Mr. EDWARDS.—Assuming that they are in the same handwriting.—A. Well, I do not assume it.

Mr. EDWARDS.—Does not that appear to you, assuming that they are in the same handwriting, the tenders being from two apparently rival companies, does not that appear to you to indicate collusion between the companies?—A. Well, you would have to take into consideration several things, I think, in arriving at that conclusion.

Q. Taking your answer for a basis I simply ask you how that strikes you, assuming that two apparently rival companies put in tenders for the same work, and the tenders are in the same handwriting, does that appear to you to indicate collusion on the part of these two companies, or does it not? Now that is a question that can be answered by yes or no.—A. Well, if you want to put it that way, 'Do you think there was collusion between them,' I should say 'No.'

Q. You would say No?—A. Yes.

Q. The fact of two apparently rival companies putting in tenders on the same work in the same handwriting does not appear to indicate collusion?—A. There is no collusion.

Mr. PRINGLE, K.C.—I think, for the advantage of the Committee and, perhaps, for my own advantage, it would be well if some official of the Department were called to give evidence for this reason: we are assuming a whole lot in regard to these tenders, I may be wrong, and if I am I am frank enough to admit it at once, but as I understand the position we are investigating a certain contract under which a certain expenditure of money has been made. Now the tenders that were put in were tenders, as I understand it of the Canadian Dredging & Construction Co., R. Wendell, and Randolph Macdonald and others, and upon those tenders this contract was let, these people being the lowest tenderers. Mr. Stewart is now speaking of, and dragging into this controversy, some tenders that were put in previously, which had evidently been rejected by the Department, if I am right. I find that in 1907, when the contract was let that the tenderers for the work were as shown in this schedule, that the Owen Sound people tendered for one division of Midland Harbour and the Canadian Dredging & Construction people tendered for another division of the Midland Harbour. Mr. Wendell, of Trenton, and Randolph Macdonald, of Toronto, tendered; the Canadian Dredging & Construction Company were the lowest in one division and the Owen Sound Dredging Company were lowest in another division. It seems to me that it would be better for the sake of the Department, and better for the Committee, if some official having the custody of these tenders were to come here and give evidence so that we would see where this contract started. It is very confusing to have tenders that were rejected and thrown out by the Department and did not form in any way the basis of the matter under investigation brought before the Committee.

The CHAIRMAN.—The contract itself is there and it is the basis of the investigation.

Mr. PRINGLE.—That is so. Well, that is all in and it is based on the tender of the Canadian Dredging & Construction Company of late in May, 1907. Their first tender of early in May, 1907 was not accepted, they were asked to put in a new tender, they put in a new tender at lower prices and that new tender happened to be

the lowest of all tenders, the contract was awarded to them and that contract is still going on. It is not absolutely clear in my mind that there is no confusion between the Owen Sound Company, the Penetanguishene Dredging Company and the Canadian Dredging & Construction Company because there has been so much evidence put in in reference to these tenders. The tenders upon which this contract under consideration was let were the tenders for 1907 for Midland and at Tiffin.

Mr. STEWART.—We went all over this before and the object of my questions this morning is to show collusion between the different companies, it is not a question of what the contract is based on.

The CHAIRMAN.—That is a matter of judgment which Mr. Pringle desires to make more clear in his own way, even if in doing so we are going over the ground a second time. I might say, Mr. Pringle, it is for you to use your own judgment, but if you wish an official of the Department called, after Mr. Stewart has finished with these witnesses, there is no question at all you will be at liberty to call him.

Mr. PRINGLE.—What I have in my mind is this, that no contract was ever let upon these tenders upon which we have been taking up so much time; that the contract was let upon the tenders of 1907, and that in the case of Midland there were tenders from the Canadian Dredging & Construction Company, R. Macdonald and R. Wendell, three in all.

The CHAIRMAN.—Those are the second tenders in May.

Mr. PRINGLE, K.C.—I am trying to make it clear that those tenders are the foundation of this contract, that no contract was let on the first tenders which were thrown out and new tenders called for, and it was upon the later tenders that the contract was let. Secondly I want to point out that there is no suggestion of collusion between the three tenderers I have named.

Mr. DAVIDSON.—Except that there was no competition from the Owen Sound Company.

Mr. PRINGLE.—You are right in that, they did not put in a tender at all. In Midland there were three tenders, the Canadian Dredging and Construction Company, R. Macdonald and R. Wendell, and I think I have made it absolutely clear that the Canadian Dredging and Construction Company were the lowest tenderers in competition with Macdonald and Wendell. There is no suggestion that those men were in collusion. It is equally clear that the Owen Sound Dredging Company were the lowest tenderers in competition with those men in the Tiffin work.

Mr. STEWART.—It has been shown in evidence, following that up, that these two companies, the Owen Sound Dredging Company and the Canadian Dredging & Construction Company had been working together since 1906.

Mr. PRINGLE.—They had worked together the previous year, there was no collusion in that.

Mr. STEWART.—And they did not tender against each other for the work, one tendered for one work and the other for another.

Examination of Mr. White resumed.

By Mr. Davidson:

Q. Did you come up to Ottawa to recommend that any inspector should be appointed?—A. No, sir, I did not.

By the Chairman:

Q. You had nothing to do with the selection of inspectors either directly or indirectly?—A. That question was asked me before, and as far as that is concerned I think the chances are that when these inspectors were appointed there was something said, but it was not done by the Liberal Association as has been said because they never had a meeting from the time one election was over until the next election.

By Mr. Davidson:

Q. Did Mr. Grant recommend to the Department the names of the Inspectors?—A. I would not like to say that.

Mr. STEWART.—I would like to ask that the witness be not discharged until we get the matter of the inspection of the books cleared up. I will take that up before the Committee adjourns, after the next witness is examined.

By Mr. Stewart:

Q. Can you not communicate with Mr. Grant and find out where these books relating to the old company are?—A. I will ask him the very first chance I get; he has been pretty low and I have not talked with him at all.

Q. And you will come down again next week?—A. Whenever I am wanted.

By Mr. Edwards:

Q. When was Mr. Grant operated upon?—A. Two weeks ago.

Q. I understand he is progressing very well?—A. I think so, but he was quite sick for several days.

Q. Naturally so, after an operation.—A. It was more than a simple operation for appendicitis that Mr. Grant had, he was on the operating table for over two hours and was very ill.

Q. Is Mr. Grant in such a condition at the present time that you could see him and enquire about the books?—A. I think so.

Q. Or is his condition of health such that his physician would order him not to engage in any business?—A. That I could not say, but the first time I go through Toronto I will enquire and find out.

Mr. PRINGLE.—I do not want to delay the proceedings of the Committee at all and am willing to agree with the suggestion made by Mr. Stewart in regard to the desirability of arriving at some way of getting over this 'book' question, either by a sub-committee or some other way. But until Mr. Grant comes I cannot see that we can make very much progress with these books. Mr. Grant, the secretary of the company is under the statute in charge of these books—

Mr. BENNETT.—Is there any chance of these books being destroyed?

Mr. PRINGLE.—I do not know anything about that, but I am suggesting that if we proceed on Wednesday next to ask Mr. White questions in reference to these books that Mr. White will say again, "I am not the secretary of this company, you will have to ask Mr. Grant in reference to these books," and we will be in the same position as we are to-day.

Mr. STEWART, K.C.—He can ask Mr. Grant in the meantime.

Mr. PRINGLE.—I am making the suggestion that the matter might stand over for three weeks in order that Mr. Grant might be here.

Mr. STEWART, K.C.—I cannot agree to that; I suggest that we should proceed with the investigation next week. It is understood that Mr. White is to come again at the next meeting.

Witness retired.

Mr. JOHN H. ARMSTRONG called, sworn and examined.

By Mr. Stewart:

Q. You are an engineer on the staff of the Public Works Department?—A. Yes.

Q. How long have you been in that position?—A. Six years.

Q. What experience as an engineer did you have before that?—A. Some 35 years.

Q. In the employ of different companies, I understand?—A. Yes.

Q. Now in the course of your duties did you have anything to do with the work up at Victoria Harbour?—A. I made surveys in the winter.

Q. And when did you make the first survey up there?—A. In 1908, January.

Q. And did you make any subsequent surveys?—A. Yes.

Q. When?—A. In 1911, 1912 and 1913.

Q. What was the first survey made for?—A. To determine the amount of material that had been removed from the channel during the preceding spring.

Q. And the other surveys, what were they made for?—A. The same purpose.

Q. How did you make a calculation of the quantities of material in situ in Victoria Harbour from the information on file in the office and otherwise?—A. I made the calculation on my own soundings.

Q. Will you give us the figures showing the quantities based on that calculation?

Mr. GERMAN.—The quantities to be removed in situ?

Mr. STEWART.—Yes.—A. The original quantities to be removed in situ: Contract No. 1, 1,900,000 cubic yards; Contract No. 2, 415,400 cubic yards; Contract No. 3, 55,000 cubic yards which was estimated by Mr. Sing.

Q. What is the total?—A. The total is 2,270,400 cubic yards.

Q. That was the total quantity in situ to be removed from that part?—A. Yes.

Q. Has the work been completed?—A. No.

Q. How much remains to be removed?—A. There remains about 60,000 cubic yards to be removed under Contract No. 2.

Q. Then what would be the amount in situ that has been removed?—A. 2,310,400 cubic yards.

Q. Now you have had access to the records, the returns, showing the quantities removed by scow measurement?—A. I did this yesterday.

Q. Now will you tell us from these records what quantities have been paid for by scow measurement?—A. Class 'A.'

What is class "A"?—A. Rock, 238,284 cubic yards.

By Mr. Edwards:

Q. Might I just ask one question: in regard to that class 'A,' rock, do you mean rock that has to be drilled and blasted?—A. Yes.

Q. Or does it include boulders?—A. It includes boulders that are over two yards.

By Mr. Stewart:

Q. Now just proceed with your classes?—A. Class 'B,' 3,200,868 cubic yards.

Q. What is the total?—A. 3,439,152 cubic yards, scow measurement.

Q. Now what is the difference in those quantities—the quantity in situ and the quantity paid for by scow measurement?—A. Class 'A' in situ, 132,380 cubic yards; Class "B," 2,400,650 cubic yards. These two added together give a total of 2,533,030.

Q. In situ?—A. Yes.

Q. That is what the scow measurement would show if removed in situ?—A. Yes, sir.

Q. What is the excess quantity removed there?—A. I have deducted the original estimate in situ, which was 2,310,400 and also for the excess dredging for 25,801 yards from 2,533,030, and it leaves an excess of 196,829 cubic yards.

Q. You say you have deducted the excess depth, that is the depth of dredging below the proper grade?—A. Yes, after allowing for that you find this difference—196,829 cubic yards in situ.

Q. Now will you tell the difference that would mean in cash based on the figures they were receiving?—A. How do you want that estimated.

Q. First, if this excess quantity were all earth, or Class 'B', what would it be then?—A. The excess in Class 'B', by adding one third to the situ quantity would be 255,877 cubic yards at 12½c., that is. \$31,945.42.

Q. Now let us suppose that there is some rock in that excess quantity and that the rock in excess is in proportion to the rock that is being removed. Base your calculation on that and find what over-payment there would be?—A. 31,427 cubic yards of rock at \$2.25 per yard, \$70,700; 236,196 cubic yards at 12½c., 29,425, total \$100,125.

Q. Then the over-payment on that calculation would be as you have stated if this material were all of Class 'B', and if divided—ten per cent rock and ninety per cent other material—the over-payment would be \$100,125?—A. Yes.

Q. And why do you divide it on the basis of ten per cent rock and ninety per cent other material?—A. That is in the same proportion as the amount returned in situ at the end of December.

Q. You say that you made a survey in 1911, what month was that?—A. January.

Q. Who gave you instructions to make that survey?—A. Mr. Sing.

Q. Who assisted you in making it?—A. I had about a dozen men altogether.

Q. Were the inspectors assisting you?—A. Yes, I had three inspectors.

Q. What did you find at Victoria Harbour?—A. I found an excess of dredging below the proper depth between Stations 45 and 63 on the plan.

Q. Generally speaking, where would that be?—A. The southeast end of the channel.

Q. Well now, did you question the Inspectors as to how that occurred?—A. I spoke to them about it while they were taking the soundings.

Q. What information did you get?—A. They could not give any information about it.

Q. What was the excess quantity there in cubic yards?—A. At Victoria Harbour 25,801 cubic yards in situ.

Q. Then you reported that to Mr. Sing?—A. Yes.

Q. What would be the value of that at the rate they were receiving?—A. 25,801 cubic yards reduced to scow measurement would be 34,401 yards.

Q. And what price?—A. 12½ cents.

Q. And what was taken there on that basis?—A. I have not figured it out, \$13,400, I think.

Q. That deduction was made recently, as stated by Mr. Pratt?—A. I do not know when it was made.

Q. Now, then, did you make an inspection the same year at Tiffin?—A. I did.

Q. What did you find there?—A. I found the same trouble there—excess of dredging below the proper depth.

Mr. GERMAN.—This company did not do any dredging at Tiffin, did it?

Mr. STEWART, K.C.—Oh, yes, it is the same company.

Mr. PRINGLE.—I hope we are not getting into 1912.

Mr. STEWART, K.C.—Oh, no, we are not.

By Mr. Stewart, K.C.:

Q. What did you find at Tiffin?—A. I found that the dredging was below the proper sub-grade.

Q. To what extent?—A. In scow measurement 36,700 cubic yards.

Q. What was the rate there?—A. 29 cents.

Q. What would be the value of that?—A. I have not figured it out, but it would be \$10,000 odd, from memory.

Q. I am going to read what Mr. Pratt said (on page 29 of the evidence) about this dredging below depth:

Q. I want you to be very brief.—A. The place where the overdepth occurred was at the outer end of the slip. The material was very soft and we put the dredges twice over this portion of the work. The material ran in and we did not get correct depth. I then instructed our engineers to let her down as low as they could and get the correct depth. I figured that the material would run in, but the soundings were taken

soon after. We sounded with the lead line in this soft material and found it to be over depth. It was the third time the dredges had gone over that piece of work, and we had lost money."

Now, does your recollection of the overdepth agree with what Mr. Pratt says?—
A. You mean as—

Q. To the outer end of the slip?—A. Part of it was the outer end of the slip and part of it was between station 45 and the outer end of the slip.

Q. What class of material was there?—A. It was all class 'B'.

Q. Was it very soft?—A. Some of it was soft and some, in towards Station 45, was not quite so soft.

Q. Did you make a subsequent examination to that made in 1911 for this same work?—A. I did.

Q. Did you find any had been running in on the second occasion?—A. No.

Q. Now then, did you see Mr. Pratt after you had made this discovery?—A. In reference to this excessive dredging?

Q. Yes?—A. I think he was in our office once in Toronto.

Q. Did you have any conversation with him about it?—A. He spoke about it, yes.

Q. What did he say about it?—A. Well, he said that the dredges couldn't dig to that depth, the excess depth that was marked on the plan, 30 feet.

Q. He contended that his dredges couldn't go to that depth?—A. Couldn't dig 30 feet.

Q. Did he tell you about having gone over the ground three times?—A. He never mentioned it.

Q. Did he at any time, make any mention of it?—A. Not to me.

Q. Did you ascertain that the dredge they were using there might go that depth?—A. Yes.

Q. Mr. Pratt has said here they could go that depth. Now then what did you find up at Tiffin as to the class of material there that had been dredged below depth?—A. It was all Class 'B'.

Q. Was it as soft as that at Victoria Harbour?—A. No, it was not.

Q. Was there any danger of that class of material filling in at Tiffin?—A. No, sir.

Q. And what did Mr. Pratt say about the dredging below depth at Tiffin?—A. He did not say anything about it any further than that the dredge could not dig to that depth.

Q. What was the capacity of this dredge in depth?—A. About 31 feet without the anchor shoes.

By Mr. German:

Q. With the anchor shoes what would be the capacity?—A. It would be less.

Q. About how much less?—A. About two feet less, they hadn't the anchor shoes on them, they took them off.

Q. When they were dredging?—A. Yes.

By Mr. Stewart, K.C.:

Q. Now then, what was the datum plane as a basis for this dredging?—A. 580 feet above New York.

Q. Will you explain a little more fully what that means?—A. 580 feet above New York level.

Q. How deep below that level had you?—A. 25 feet.

Q. What is the depth of water on the nitro sill of the Soo Canal?—A. 20.9:

Q. 20.9 below?—A. 20.9 feet below the mitre sill.

Q. On the same basis?—A. The same basis.

Q. Of 580 feet above sea level. Then how much deeper is this point dredged? How much is the excess in depth of water in this harbour below the mitre sill of the Soo Canal?—A. 4.1 feet.

Mr. GERMAN.—Wouldn't it be better to find out how much deeper it is than what they asked to have it made? Will you call for that?

By Mr. German:

Q. When you measured the material in situ, what depth did you allow for the harbour of Victoria?—A. 26 feet.

Q. How much below 26 feet did they dredge?—A. 4 feet in some places and 5 feet in some places.

By Mr. Stewart:

Q. The whole of this dredging was done on the basis of 25 feet below that datum?—A. Below the datum plane of 580.

Q. Now in your 1912 inspection of that work did you find any dredging over depth?—A. The same as there was before in the same places.

Q. Will you give it to us in detail?—A. On Contract No. 3 at the southeast end of the crib wall the original quantity to be removed there in situ was 55,000 cubic yards, and I found by soundings that they have taken out 10,800 yards in excess, which I have reported to be deducted.

Q. What dredge was operating there?—A. The *Clamshell* dredge.

Q. The records show that Mr. McMullen was inspector on that dredge?—A. I don't know about that.

Q. That is the Mr. McMullen that Mr. Pratt says is now in his employ?—A. I wasn't here then.

Q. You did not hear him say that?—A. No.

Q. You haven't made a calculation of the excess at Tiffin at all?—A. I haven't made a monetary calculation but it has evidently been deducted.

Q. I mean a calculation similar to this one?—A. No, I hadn't the original estimate of Tiffin at all, I had nothing to do with it.

Q. Then to sum it up the result of your investigation at Victoria Harbour was to show that the excess appears to have been paid for to the amounts you have mentioned.—A. At Victoria Harbour?

Q. Yes?—A. I do not know whether it was deducted or not.

Q. I mean that the dredge returns showing the quantity removed when reduced to situ are in excess of the quantities that were in situ before they started?—A. Yes.

Q. By the amounts that you have mentioned?—A. Yes.

By Mr. German:

Q. Was the excess quantity paid for?—A. Yes.

By Mr. Stewart:

Q. If that was all paid for on the basis of the excess quantity being in Class 'B,' the overpayment would be \$31,498.42, and if 10 per cent of this quantity was paid for as rock and 90 per cent was Class 'B,' the excess payment would be \$100,135. These are the facts, I think?—A. Yes, that is my calculation.

By Mr. Pringle, K.C.:

Q. You are now in the employ of the Public Works Department, Mr. Armstrong?—A. Yes.

Q. And have been for some years?—A. Yes.

Q. You were in the employ of the Department in 1907, 1908, 1909, 1910, in 1911 and the past year?—A. Yes.

Q. You made the original estimate you say for Victoria Harbour?—A. Yes.

Q. And you no doubt filed your report?—A. Yes.

Mr. PRINGLE, K.C.—Have you that report, Mr. Stewart?

Mr. STEWART, K.C.—No.

By Mr. Pringle:

Q. Your report will be on file in the Department?—A. I made that estimate four days ago, Mr. Sing has that report at Toronto.

Q. But I mean before the work was let at all?—A. That was estimated on a 22-foot basis.

Q. And estimating it on the 22-foot basis have you any report?—A. I haven't the quantities and figures of that here.

Q. But that report is on file, is it?—A. Yes.

Q. Will you mind getting that report and having it produced?

By Mr. Stewart:

Q. You reported to Mr. Sing?—A. Yes.

By Mr. Pringle:

Q. Now for some years, I imagine 25 or 30 years, the Department has been in the habit of letting contracts for dredging by scow measurement largely?—A. In the Public Works Department.

Q. And where contracts are let on the basis of scow measurement there is generally a lessor price paid than for place measurement, or in situ?—A. There should be.

Q. There should be, certainly. Scow measurement, as a rule, is, at the very least, 25 per cent less price for ordinary earth excavation than in situ?—A. I do not know the difference in the price, but there would be a difference—less.

Q. And a very decided difference?—A. I should say so.

Q. My reason for asking you this question is that contractors have told me that there is, in rock, a difference as large as 50 per cent, that has been their actual experience between place or situ measurement and scow measurement, and that in earth excavation it runs anywhere from 25 to 35 per cent. As an engineer what would you say would be the difference?—A. Well, the difference that we base our estimate on for class 'A,' which is rock, is 80 per cent.

Q. 80 per cent—

By Mr. Stewart:

Q. You do not understand Mr. Pringle's question. Mr. Pringle is asking what is the difference in price?—A. I do not know the difference in price.

By Mr. German:

Q. The difference in quantity?—A. As I said, I do not know about the price, but it is 80 per cent.

By Mr. Pringle:

Q. You say there would be 80 per cent difference?—A. That is what we allow.

Q. Now let us understand this. Will you explain?—A. Every cubic yard in situ would represent 1.8 cubic yard in scow measurement.

By Mr. Pringle:

Q. Every yard in situ would represent 1.8?—A. That is in rock.

Q. Would represent 1.8 yards in scow measurement?—A. Yes.

- Q. Now let us take earth, the ordinary excavation, how would you estimate that?
 —A. We estimate that one third greater.
 Q. Well then I was a little moderate in my estimate of 25 per cent?—A. Yes.
 Q. So that scow measurement would, according to your opinion, be one third greater than the measurement in place shows, or in situ as it is called?—A. Yes.

By the Chairman:

- Q. That is all earth?—A. Yes, all 'other materials.'

By Mr. Pringle:

- Q. All other materials outside of rock?—A. Yes.
 Q. Now your first actual measurement of the material in situ was made when?
 —A. In 1908.
 Q. 1908?—A. January.
 Q. That would be prior to the contractors starting their work in the spring of the year?—A. Well, I started the contractors in 1907, for four days towards the end of the season.
 Q. And the actual work started in 1908?—A. In the spring of 1908.
 Mr. GERMAN.—That was at Victoria Harbour?
 Mr. PRINGLE.—We are only dealing with Victoria Harbour; Mr. Armstrong does not understand anything about the other harbour.

By Mr. Pringle:

- Q. Now have you got an estimate of rock and other material for Victoria Harbour?—A. No.
 Q. Is there any record in the department of the quantities in situ before they started work?—A. Oh yes—Victoria Harbour.
 Q. Yes?—A. The record is in Mr. Sing's office, my estimate.
 Q. Well then you did make an estimate prior to your starting the work?—A. In situ.
 Q. Have you the figures?—A. Well I do not remember the total quantities, but it is somewhere in the vicinity of 1,300,000 yards. I estimated it 'other materials' all the way around. There was no rock in that 22-foot basis; the rock occurred for the greater depth.

By Mr. Pringle:

- Q. You estimated that at a fair price for scow measurement, 25 cents a yard?—A. Yes, sir.
 Q. All around?—A. Yes, sir.
 Q. These Contractors had what prices for Victoria Harbour?—A. They had for Class 'A' \$2.25 per cubic yard scow measurement, and Class 'B' 12½ cents per cubic yard scow measurement.
 Q. Then the price was a very low price for the work if what you estimated should be and was a fair price?—A. On Class 'B'.
 Q. And Class 'B' of course was a very large percentage of the work?—A. Oh, yes.
 Q. It was a large percentage of the work. So that in Victoria Harbour, at any rate, these contractors were doing that work at 50 per cent of the Government engineer's estimate of course?—A. On Class 'B'.
 Q. Now what did you estimate Class 'A' at?—A. We hadn't any Class 'A' material at all.
 Q. You had no Class 'A' material at all?—A. No.
 Q. And the reason you had no Class 'A' material was because at the inception of this work 22 feet was the depth?—A. Yes, the contractors I imagine, put in their

price at \$2.25 for rock on the assumption that there would be boulders which are paid for at solid rock prices for any over two cubic yards.

Q. Then was not the contract changed? Was it not found necessary to go to a depth of 26 feet?—A. It was.

Q. And in going to a depth of 26 feet they encountered rock?—A. Yes.

Q. And the price for rock was \$2.25 per cubic yard?—A. Scow measurement.

By Mr. German:

Q. Did you make any estimate as to the quantity of rock in situ at 26 feet depth?—A. I did not make the survey; another engineer made the survey that year.

By Mr. Pringle:

Q. Did you make an estimate of the cost of removing that rock?—A. Oh, no.

By Mr. German:

Q. He could not unless he had made a survey?—A. Oh, no.

By Mr. Pringle:

Q. With your experience, Mr. Armstrong, you can estimate pretty well what rock would cost in such a location as that. Would \$2.25 be a reasonable price for rock situate as it was in Victoria Harbour?—A. As the rock was in Victoria Harbour.

Q. Yes?—A. Well, if it is limestone rock I should say that is a good price.

Q. It was not an unreasonable price where drilling had to be done?—A. I would not care to give an opinion upon that unless obliged to.

Q. Well, I will not press you because you have not given it your personal attention. But taking rock at \$2.25 and other material 25 cents under conditions like Victoria Harbour you do say that is a reasonable price, a fair contract, and one that you would recommend to be accepted?—A. I do, as far as Class 'B' is concerned.

Q. You would, as far as Class 'B' is concerned. I should imagine you might have said that as far as Class 'B' was concerned there was some doubt as to the contractors doing the work for the money you having estimated it at 25 cents.—A. No, I covered hardpan in 25 cents so as to cover the whole and leave a margin.

Q. Will you let me see that memo concerning this Victoria Harbour, No. 1?—A. (Handing document to Mr. Pringle) That is all Victoria Harbour.

By Mr. German:

Q. Were there three contracts for Victoria Harbour?—A. The first contract was from Station 9 to Station 63; the second contract was from Station North to Station 9 at the west end and the other contract was the south east end of the return crib, the C.P.R. return crib.

Q. Well then, were there three contracts entered into between the Department and this firm?—A. No, I do not think so, I think they extended the one contract.

Q. That is what I want to get, there was only one contract entered into between the Canadian Dredging Company and the Department?—A. Only one, as far as I know.

Q. And that is the one contract covering all this work?—A. Covering the three.

Q. That covers the three?—A. Yes. I think that contract was drawn in 1907.

By Mr. Pringle:

Q. Of 1908, the new contract was drawn under which all the work has been done?—A. Oh, yes, 1909 they started on the 26 feet.

Q. Well now, there hadn't been a great deal of work done prior to the contract of 1908?—A. Very little.

Mr. PRINGLE.—Mr. Chairman and Gentlemen, I have only given Mr. Armstrong a very general examination this morning and I ask that his further examination be held over until Wednesday because there is a mass of material here I desire to go over before examining him further.

The CHAIRMAN.—You would prefer to wait until then?

Mr. PRINGLE.—Yes, I think it would save the time of the Committee by doing so.

By Mr. Stewart:

Q. Just one question, I would like to clear up a matter.

The CHAIRMAN.—Before that there is one question I should like to put to Mr. Armstrong.

By the Chairman:

Q. I understand you have examined the ground since this dredging was performed?—A. Yes, I completed it about a week ago.

Q. Is the dredging to the excess depth of a uniform level?—A. Yes.

Q. The point I wish to get at is if it is 'dug-eared' the value of the work done is only the value of the most shallow part?—A. That is so.

Q. On the principle that a chain is only as strong as the weakest link. You say that does not obtain here.—A. You refer to the excess on each contract.

Q. I wish to know if all the dredging has been done to a uniform level?—A. I made an examination every 20 foot square over the whole area and I found that the excess dredging is very nearly on a level plane.

Q. That it is available over the whole area?—A. It might be swept to cover the whole area with very little trouble.

By Mr. German:

Q. Did you take the quantities in situ at the 26 foot depth?—A. Yes.

Q. When?—A. In 1911.

Q. In 1911?—A. Yes.

Q. A lot of dredging had been done at that time?—A. Nearly all the excess dredging—all the excess dredging was done.

Q. The excess dredging could not be done without the dredging in chief being done?—A. Well, the dredging in chief is nearly all done.

Q. Well now, take the whole of the contract in Class 'B,' what was the quantity in situ at the 26 foot depth in the whole of the three contracts?—A. I have given you that I think.

Q. Let me look at that and see; I was not just sure about that. (Document handed to Mr. German) I am talking of Class 'B' now?—A. Class 'B', 2,400,650.

Q. Cubic yards?—A. Yes.

Q. That would be in situ at the 26 foot depth?—A. Yes.

Q. And that you took in 1911?—A. In 1911.

Q. And then Class 'A,' the rock, in situ you took also in 1911?—A. No. I took the whole quantity and I deducted the difference between the rock that was returned on the estimate yesterday, the estimate of 1912 gives so many thousand yards in scow measurement, and I reduced them to situ measurement, it is there.

Q. Then you did not take an actual survey to find it out?—A. Yes, I took an actual survey and this is the result of my survey in situ.

Q. Well, does this 2,370,400 cubic yards cover all the material in situ including both classes, 'A' and 'B', to 26 foot depth?—A. Yes, sir, with the exception of 60,000 yards yet to be done.

Q. I see, it covers the whole of the material to the 26 foot depth excepting the 60,000 yards yet to be done?—A. Yes.

Q. Then you have only made an estimate of the quantity in situ of Class 'A'?
—A. I made an estimate of both together, combined together.

Q. I know you have combined it here.—A. Yes, but not in Class 'A', it is not in any Class.

Q. That covers both classes in situ?—A. Yes,

Q. But I am asking as to Class 'A', you did not make a survey for that?—A. Oh no, you could not do that.

Q. Now, how many yards of all material were actually excavated on these three different contracts?—A. According to the estimated returns?—A. No, according to your measurements?—A. I could not give you that, it is according to the estimated returns, of scow measurements, by the inspectors.

Q. Then how much is returned?—A. 3,439,152 yards, that is the combined returns by the inspectors.

Q. That would be scow measurement?—A. Yes.

Q. 3,439,152 yards, scow measurement, has been returned as dredged under these contracts, 1, 2 and 3, and you find by actual measurement, that there was 2,370,400 cubic yards in situ?—A. Yes.

Q. Now then, that 2,370,400 yards would be in situ, but there would be necessarily, by scow measurement, a larger number of yards returned would there not?—A. There should be and there is.

Q. And how much percentage more should there be?—A. One third in Class 'B' and 80 per cent in Class 'A'.

By Mr. Stewart:

Q. He has reduced that to situ measurement and the result is the figures that are here.

By Mr. German:

Q. Now assuming it was all Class 'B'—if you take in consideration Class 'A' it will vary it, but assuming it is all Class 'B', one third of 2,370,400 would be 790,000 cubic yards would it not; in addition?—A. I did not figure it out.

Q. Well, figure it out, let us see?—A. 3,160,400.

Q. That is right isn't it? The increase is—A. 790,110.

Q. Then that would make 3,160,510 cubic yards?—A. Yes.

Q. Which according to your survey of the quantity in situ, and according to the proper allowance for increase, as between situ and scow measurement, the proper return would have been 3,160,510 cubic yards, and they have actually returned 3,439,152 cubic yards?—A. Yes.

Q. Or a difference of how much, 196,829?—A. Yes.

MR. STEWART.—You are leaving out the rock basis which would make the difference much greater.

MR. GERMAN.—Yes, I understand that, I am taking it on the basis of all Class 'B'.

By Mr. Pringle.—

Q. That would not be very large, or an excessive amount on a large contract?—A. Are you asking me to answer that question.

Q. Yes?—A. I do not think there ought to be any.

By Mr. Davidson:

Q. Could you not ascertain from examination after the dredging was done how much hardpan had been removed?—A. There is no hardpan in Victoria Harbour, there is some cemented gravel there, but no hardpan, just on the edges of Maple Island.

Q. But your estimate did provide for hardpan?—A. At 25 cents a yard I covered it.

By Mr. German:

Q. Can you tell us how much money the Department has held back from these contractors?—A. No, sir, I have no knowledge of the money dealings at all.

By Mr. Davidson:

Q. And that you say was a fair price for dredging at Victoria Harbour?—A. Yes, scow measurement.

By Mr. German:

Q. At a depth of 24 to 26 feet?—A. Yes.

By Mr. Stewart:

Q. In arriving at these quantities you have taken into consideration those extra 4 feet, and I presume everything for which the contractors should get credit?—A. Yes.

Q. And this is based on your survey made recently?—A. Yes.

Mr. PRINGLE.—I am quite willing to follow the procedure which was suggested the production of those books and the appointment of a sub-committee to go into them. We seem to make no progress whatever on that point.

Mr. PRINGLE.—I am quite willing to follow the procedure which was suggested yesterday; that is, have a sub-committee appointed and let them go into these books and report. Or, we can go along till the question of the production of these books is raised and it can then be decided.

The CHAIRMAN.—It appears to me that without prejudice to your clients the question could be gone into with much greater satisfaction by a sub-committee and then any questions outstanding after that committee has dealt with them could be settled by a committee of the whole.

Mr. GERMAN.—It is absolutely certain there will be a difference of opinion even in a sub-committee, because I have no doubt from what I have heard in this committee that some gentlemen think the committee has the right to go into the private affairs of this company—and when I say private I mean the dividends they are paying, what the capital stock is, travelling expenses, &c.—and others think differently. My own opinion is very emphatic, that this committee has no right to go into such matters, and that is confirmed by the statements of Sir John Thompson in the McGreevy investigation when he said that that committee had no right whatever to go into the internal operations of the Connolly Brothers Company, and I don't think we have any right to go into the internal operations of this company. We had better decide right here whether or not their private affairs ought to be gone into. I am perfectly willing that this company should be investigated right to the limit and I think if all the other contractors were investigated right to the limit it would be a good thing, for I am very much inclined to think that all the contractors, more or less, agree that they shall not bid against one another on public works. That has happened with all governments. I have known three or four contractors putting in bids, knowing all the time that they are not going to get the work, just to show that it is a bona fide transaction. The late government tried to stop it by having their own dredges. I know I brought that question up in the House myself and Mr. Pugsley said we have got to have them or the contractors will ruin us because they get together and agree just what they shall do.

I am perfectly willing, myself, that all contractors should be investigated to the limit, but I don't think we have any right to go into the internal workings and compel a president or secretary to show what dividends his company is paying. The

question for us is was that a proper contract, has the work been done? This company has only been paid \$31,000 for going below depth.

Mr. STEWART.—That is not for below depth. It is an over-payment down to the proper depth that arises out of the scow measurement.

Mr. GERMAN.—If they have been over-dredging they should not have been paid for it. I am perfectly willing that my friend should bring that out to the full limit. Let the Department suffer if it was in error. I have nothing to say as to that, but I do not think that this committee should investigate the private workings of a company and I am positive the House will decide that this committee has no right to do so.

Mr. PRINGLE.—We have not formed the Committee as yet. In the Tarte-McGreevy case there was an immense quantity of books. In this case there are a few books. In so far as anything pertaining to the contract is concerned, that is all on record in the Public Works Department, all the inspectors' returns, engineers' reports, and everything of that sort; but my learned friend will have to admit that he wants to go into these books for other reasons, to discover what dividends we have paid, what we have paid to each shareholder, who are our shareholders, and so on. Now if there was a ruling in this Committee that those things are not pertinent to this inquiry—as I think there should be—why it cuts the thing down to a very narrow issue.

Mr. BLAIN.—But this is not a private work. It is work done for the government. Does that not make a difference?

Mr. PRINGLE.—I do not see that it does in this respect. While the government has a perfect right to go into anything pertaining to the work—as to whether the Contractors acted honestly or dishonestly by the Department, for instance—the Government has no right to examine the books as between individuals, to find out whether I am a shareholder of this company, whether Tom Jones is a shareholder, and so on.

Mr. STEWART.—I think my learned friend has entirely departed from the position he took in this Committee the other day, when he said he was willing to open everything.

Mr. PRINGLE.—I did not not think for one moment that Mr. Stewart wanted to conduct a personal inquiry.

Mr. STEWART.—I did not, Mr. Pringle.

Mr. PRINGLE.—It seemed to me very strange that you should want to know who were our shareholders and what dividends they were paid.

Mr. STEWART.—That was not the only thing. You volunteered a statement here that dredging was a hazardous business; that it was only paying ten per cent, that your clients had a very large investment in plant, \$850,000. I wanted particulars of that. You have not put it on the record and you refused to let me do so. Although you said here, in so many words, we could look at the dividends, when it came to the point you would not allow me to do so. Now, Mr. Chairman, I submit we have proven conclusively that there is collusion between these contractors with reference to these contracts, and once we have done that we have established fraud, and when fraud is established then everything should be open.

The CHAIRMAN.—Gentlemen of the Committee, Mr. German suggests that general ruling should be laid down, and that seems to be in conformity with what Mr. Pringle has accepted. In my judgment I do not believe it is competent, I do not believe it is best for the Chairman—

Mr. BENNETT.—Are you going to give a decision that will hold the Committee.

The CHAIRMAN.—You will have to hear it before you can tell, I am not an autocrat you know. I say that in my judgment it is impossible to lay down a blanket ruling

which is going to cover the ground. If you do it must be of such a general knowledge as to be of no purpose. All I can do, without laying down a general ruling on the matter is to say that only such matters as are relevant shall be the subject of inquiry touching the books of the Company. Well then, the question of relevancy is different in each individual case, and I cannot see any other way to deal with it.

Mr. GERMAN.—Then I do not believe there is any use in appointing a sub-committee. When the witness is called here if he simply says, 'I refuse to answer' then the Committee has to report to the House and let the House deal with him as they see fit.

The CHAIRMAN.—Quite so. I wish to make it clear to the Committee that I am taking precisely the same ground that I took at the sitting on Tuesday.

Mr. PRINGLE.—We are quite satisfied to have it go on in that way.

The CHAIRMAN.—Then if there is nothing further we will adjourn until Wednesday morning at 10.30.

Committee adjourned.











EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

DREDGING IN MIDLAND, TIFFIN
AND VICTORIA HARBOURS

No. 5—FEBRUARY 12, 1913



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1913

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

COMMITTEE ROOM No. 101,

OTTAWA, February 12, 1913.

The Select Standing Committee on Public Accounts met at 10.30 o'clock, a.m., the chairman, Mr. Middlebro, presiding.

The committee proceeded to the further consideration of a payment of \$255,509.41 in connection with dredging at Tiffin, Ontario, and Victoria Harbour, Ontario, as set out at page V—36, Report of Auditor General for year ended March 31, 1912.

Mr. JOHN H. ARMSTRONG, recalled.

Mr. STEWART, K.C.—Mr. Chairman, I would like to ask Mr. Armstrong a few questions with a view of rectifying some of the figures in the report of the last meeting, which are not absolutely correct. I furnished my learned friend, Mr. Pringle, with a statement of these corrections on the day following the last examination. I would now like to have the corrections go on the record.

The CHAIRMAN.—Are the mistakes to which you allude mistakes of the witness or of the reporter?

Mr. STEWART.—Some are of each class.

Mr. PRINGLE.—Mistakes of the witness.

Mr. STEWART.—There are mistakes not only as to amounts but as to quantities. As to the latter the errors are those of the reporter.

The CHAIRMAN.—What is the page?

Mr. STEWART.—Page 100.

By Mr. Stewart:

Q. At page 100 there appears the following question and answer:—

'Q. What is the total?—A. The total is 2,270,400 cubic yards.'

Q. Now, later on, at page 108, you will find the amount stated as 2,370,400 yards. That amount is correct, is it not? A. Yes, that is the correct amount.

Q. Now, Mr. Armstrong, I wish to make a correction at the foot of page 100. What is the correct calculation assuming that the excess paid for was all class B—that is, the quantities?—A. 262,438 yards.

Q. And what is the amount of money?—A. At 12½ cents per yard it is \$32,804.75.

Q. Now, turn to page 101. Will you give us the correct figures supposing the excess paid for to be 10 per cent rock, and 90 per cent other material?—A. 35,427 yards at \$2.25 per yard.

By the Chairman:

Q. 35,427 cubic yards instead of 31,427 cubic yards?—A. Yes, sir. The amount is \$79,710.75.

By Mr. Stewart:

Q. Just follow up the others?—A. Class B, 236,196 yards at 12½ cents.

Q. That is as you have it?—A. Yes.

Q. What is the amount in money?—A. \$29,524.50.

Q. And what is the total?—A. \$109,235.25.

36077—1½

Q. We will go a little further down on the same page, page 101, and the question was as to this dredging below depth:—

‘Q. And what was taken there on that basis?—A. I have not figured it out—\$13,400, I think.’

The figures which you actually gave were \$4,300?—A. In money?

Q. Yes?—A. Yes.

Q. Now then, Mr. Armstrong, I ask you who assisted you in making the measurements in the winter of 1911, and you told me ‘the inspectors.’ I thought the names of those inspectors were on the record, but they are not. Will you give me the names of those who assisted you?—A. Mr. Kelmann, Mr. Campbell and Mr. O’Shea.

By Mr. Pringle, K.C.:

Q. How long have you been engaged in the Department of Public Works?—A. Six and a half years.

Q. Previous to that where were you?—A. The C. P. R. Co., the G. T. R. Co., and the Canadian Northern.

Q. Previous to that you were in the dredging contract business?—A. Only for about a month.

Q. That was all you wanted of it?—A. Well, I don’t know about that.

Q. And you were getting 38 cents a yard were you not?—A. Where do you refer to.

Q. Collingwood?—A. Yes.

Q. And the same material?—A. No, very much harder.

Q. It was too hard anyway for you to be able to make any money out of it? You made no money at Collingwood?—A. The contract at Collingwood when I was connected with it was not on the basis of a price per yard at all. It was a lump sum contract.

Q. I understood you to say it was 38 cents a yard?—A. That was the average price allowed.

Q. However, I am not going to follow that up, it is not very material. Now I see in your estimate of quantities that you have come right down to the end of the year 1912?—A. Yes.

Q. You have included the work done by the Owen Sound Dredging Company which had the first contract at Victoria Harbour?—A. No.

Q. Oh! I think you have. The records shown that in 1907 and 1908 the Owen Sound Dredging Co. had the contract and that they excavated 124,100 cubic yards of material during the time they had the contract?—A. It may be, but I had no knowledge of their having the contract.

Q. When did you make the soundings in connection with the Victoria Harbour work?—A. January, 1908.

Q. Have you got the plan showing the soundings that you made at that time? A. I haven’t it with me.

Q. Where is that plan?—A. It should be in the department.

Q. I can’t find it for 1908, I can find it for 1911?—A. I have it in my office in Toronto.

Q. You have it in your office in Toronto?—A. Yes.

Q. I wish you had brought it here. Do you know anything about this plan of soundings made in Victoria Harbour. (Producing plan)?—A. That was made by Mr. Pense.

Q. Who is that?—A. Mr. E. H. Pense.

Q. Do you know whether they agree with the soundings that you made?—A. They could not because I made them before that.

Q. Now then this plan which is certified to by Mr. Sing, shows this:

‘DEPARTMENT OF PUBLIC WORKS,
OFFICE OF DISTRICT ENGINEER,
TORONTO, May 9, 1910.

VICTORIA HARBOUR.

Dredging at Victoria Harbour was performed by the Canadian Dredge and Construction Co. from 6th May to 6th December, and consisted in the construction of a slip which when completed, will be 600 feet wide by 5,500 feet long, and 25 feet deep. Of this work the area dredged last season is shown, tinted pink on the accompanying plan. Some 33,582 cubic yards rock and 882,264 cubic yards other materials, scow measurement, were removed.

(Signed) J. G. SING,
District Engineer.

Q. Would you say that was correct or incorrect?—A. I could not express any opinion on that. That is Mr. Pense's estimate.

Mr. W. H. BENNETT.—Is that signed by Mr. Pense or by Mr. Sing alone?

Mr. PRINGLE, K.C.—This is signed by both. Mr. Pense made the actual measurements; Mr. Sing is the district engineer and he puts his signature to it and Mr. Pense's name is on the plan?—A. Yes.

Mr. W. H. BENNETT.—Mr. Pense's name is not signed to the certificate you read?

Mr. PRINGLE.—No, but his name is on the plan.

By Mr. Pringle, K.C.:

Q. Now, this was 600 feet wide by 5,500 feet long?—A. Approximately.

Q. Is that the area you took when measuring to get quantities in situ?—A. In every case.

Q. Then you did not allow for the extension of the work which was carried on between 1909 and 1910?—A. Which extension do you refer to?

Q. I refer to the extension which is shown in this plan (producing plan) ‘Victoria Harbour—proposed lake terminal Georgian Bay and Seaboard Railway,’ and there is an extension here which is shown on the plan ‘Proposed slipway, 600 feet wide and 27 feet 1 inch deep,’ which covers a very large area and takes in a very large quantity of material.

Mr. W. H. BENNETT.—Whose plan is that?

A. It is the plan of the C.P.R.

Mr. PRINGLE, K.C.—I quite understand it is the plan of the C.P.R., and I will show from the record that the government authorized this work to be done by these people involving an estimated quantity of 480,000 yards or 470,000 cubic yards.

By Mr. Pringle:

Q. Then you have not taken this 470,000 cubic yards into consideration?—A. I had nothing to do with that plan at all.

Q. That is what I want to get. What you did was this—

Mr. W. H. BENNETT.—It is not the department's plan.

Mr. PRINGLE.—I will show you the department passed it and allowed for this work of 470,000 cubic yards.

Q. That you haven't taken into consideration at all?—A. That is the case.

Q. Why not?—A. That plan (indicating plan) is the plan of the channel at Victoria Harbour; that first plan you produced to me is the absolute plan of the channel dug in Victoria harbour in 1910.

Q. Unquestionably, but there was this extra work done, as to which I will show you in the file, and it involved an extra quantity of 470,000 cubic yards which was directed to be done by the government of this country, at the request of the C.P.R., who required it for the purpose of getting to their elevators.

Mr. STEWART.—Show us that.

Mr. PRINGLE.—I will conduct this examination in my own way.

Mr. ARMSTRONG.—I would like to state that the length of the channel is 6,300 feet from station to station as shown on the plan.

By Mr. Stewart:

Q. Would that include what is on the plan?—A. Yes.

By the Chairman:

Q. The same slip?—A. Yes.

By Mr. Pringle:

Q. How long do you say the channel was?—A. The channel is now 6,300 feet long.

Q. That is taking in the extension?—A. Yes.

Q. That may be right. The original contract was for a channel 5,500 feet in length and 600 feet in width?—A. Well, it would not run 600 feet in width all the way through. It angles off towards Maple Island as you see on the plan.

Q. I see, but approximately it was 600 feet?—A. Yes.

Q. The original proposition was a channel 600 feet in width and 5,500 feet in length and it was to be 22 feet below water?—A. Below a plane of 580.

Q. While we are dealing with that 580—I do not know whether it is material or not—I see it was changed to a plane of 578 and a fraction?—A. It is printed on the plan.

Q. Would that make a difference?—A. The soundings are taken to an average depth of 580.

Q. Yes, but there was a change to 578?—A. It never was changed to a plane of 578.

Q. It says here, 'Soundings were taken January 10 and reduced to a datum level of 578.5 feet'.—A. It says below a plane of 580.

Q. No, it doesn't. The measure was taken at 578?—A. It may have been on that plan.

Q. Would that make a difference in the quantities?—A. It would increase the quantities.

Q. It would?—A. Yes.

Q. Then, if it were taken at a plane of 578.5 it would increase the quantities?—A. Yes.

Q. Now in looking at this statement of yours I find that you make the total quantity in situ 2,370,400, and you deduct, for dredging at Section 2, 60,000. How do you arrive at the percentage of rock?—A. I find the percentage to be 5.23 of rock, and the balance would be in Class B, which makes a very material difference in your figures.

By Mr. Bennett:

Q. You mean in figuring out the overplus?—A. That is only approximate, Mr. Pringle.

Mr. PRINGLE.—I had an engineer to work it out exactly and he found that the correct percentage was 5.23 for Class A and the balance in Class B. Now, Mr. Armstrong, working it out on that basis and taking your figures first, instead of showing \$109,235.25, it would show \$72,779.37.

Mr. ARMSTRONG.—That may be at that percentage.

By Mr. Pringle:

Q. But would you tell me whether that is correct or incorrect? Should it be a percentage of 5.23 for class A instead of a percentage of 10 per cent as you gave in your statement?—A. Yes, I agree with you.

Q. Then, instead of an overpayment of \$109,235.25, according to your own figures, the overpayment would be, taking the proper percentage, \$72,779.37?—A. I have not figured it out.

Q. Will you figure it out? It is right here and you can do it in five minutes.

Mr. STEWART.—On what basis?

Mr. PRINGLE.—This 5.23 is on the basis of the actual returns made by the engineers and which have to be taken. It is not even on the basis on which we were paid. The percentage is 5.23 for Class A and the balance of the material Class B.

Mr. BENNETT.—Whose figures are those?

Mr. PRINGLE.—It is the estimates of the government when the work was started as to what was rock and what was earth, and it is also the returns of the engineers.

Mr. BENNETT.—Do you mean inspectors or engineers? Let us understand so that we can go along intelligently.

Mr. PRINGLE.—I mean that if you take the returns as to what was rock and what was earth they will show a percentage of 5.23 for Class A and the balance as Class B.

Mr. BENNETT.—According to whose figures? Is that the inspector's returns?

Mr. PRINGLE.—It is the engineer's returns, the engineer who is in charge of the work, who is responsible for it, and whose certificate is final.

Mr. GERMAN.—The engineer's returns must be based on the inspector's?

Mr. PRINGLE.—Certainly.

Mr. BENNETT.—Then it is the inspector's returns.

Mr. PRINGLE.—I do not think I should enter into an argument here. I should finish my cross-examination and get through with that.

Mr. GERMAN.—There can't be any harm in asking whether it is an engineer's or inspector's returns.

Mr. PRINGLE.—Here is our contract for 1908. It provides that we are to do certain work and it provides that the engineer's decision in regard to that work shall be final. We have taken the engineer's decision and the engineer's decision is that there is a percentage of 5.23 for Class A and the balance Class B.

Mr. BENNETT.—Then it is the inspector's return.

Mr. PRINGLE.—Well, someone at the inception has to do the measuring, there is no question about that.

By Mr. Pringle:

Q. Now then let us see if we can get that settled. Do you agree with my figures on that?—A. I agree with you, Mr. Pringle, that the percentage as shown by the returns is what you say, 5.23 of rock.

By Mr. Stewart:

Q. Is that situ or scow measurement?—A. Scow measurement.

By Mr. Pringle:

Q. In so far as you are concerned, Mr. Armstrong, you only made measurements for a depth of 22 feet?—A. To 26 feet.

Q. You did not make any estimate as to how much would be rock or how much earth?—A. Not on a 26-foot basis.

Q. And the rock was additional on the 26-foot basis?—A. The greater proportion of it.

Q. I suppose that you assumed that the earth, because that is all that you were dealing with, you did not anticipate rock at 22 feet; you assumed it would cost this country 25 cents a yard to remove?—A. I want to correct that estimate.

Q. Why do you want to correct it?—A. That estimate was made on the south side of Maple island.

Q. Made on the south side of Maple island?—A. Yes.

Q. It seems to me that you are very ready to make some corrections this morning, Mr. Armstrong.

Mr. W. H. BENNETT.—That is not fair to the witness. I am not going to stand for any witness being talked to this way. If Mr. Pringle had known what he was talking about he would have known that the original plan was not for where this work was done at all. It shows how badly Mr. Pringle is posted. The original estimate was for work on this side of the island and they have not worked there at all. Get the facts first, Mr. Pringle and then go ahead.

Mr. PRINGLE.—Now, then I see the engineer in charge estimates that the cost would be 25 cents per yard?

Mr. W. H. BENNETT.—On the south side of Maple island.

By Mr. Pringle:

Q. I don't know what side of Maple island; it was 1906 the original estimate?—A. In 1906 that was not the same.

Q. You told us the other day when being examined that you considered 25 cents per yard would be what it would cost this country?—A. I made that statement because I made an error. I did not—

Q. You made that statement because you made an error?—A. Yes, sir, in the location.

By the Chairman:

Q. You were speaking about another place?—A. Yes.

By Mr. Pringle:

Q. What was the estimate prepared for the cost in the place where the work was done? Or was there an estimate made—A. Yes, sir, I made an estimate and will give you the whole details of it.

Mr. STEWART.—I would like to have this put on record, and for that purpose I would like to have it read.

By Mr. Pringle:

Q. Then you estimated first of all on solid rock at \$2.50?—A. Yes.

Q. And you estimated hardpan and boulders at 45 cents?—A. Yes.

Q. And you estimated ordinary hardpan at 30 cents?—A. Yes.

Q. And you estimated mud and clay at 12 cents?—A. Yes.

Q. Would it not be fair to say rock at \$2.50 and other material at 25 cents?—A. It would not average that.

Q. What would it average? Would it not average pretty close to 25 cents?—A. I haven't it worked out.

Q. Very well, we will see what the average would be?—A. 19 cents.

Q. It would be 19 cents?—A. Yes.

Q. Now then, could you compute this for me—I have computed it on the other basis—that assuming the figures which you have worked out in situ, taking the expansion factor which you have given us as 80 per cent for rock and 33½ per cent for earth, what would it have cost this country at your figures; \$2.50 for rock and 19 cents for earth?—A. I have not figured that out.

Q. Well, figure it out. I have figured it out on that basis at \$197,000 more than we have been paid; that it would cost the country that much more than the country will pay now according to your own figures.

Mr. STEWART, K.C.—I have figured it out and my figures do not correspond with yours at all.

Mr. PRINGLE, K.C.—Well, take 5.23 per cent as rock, class 'A,' and the balance as earth, and you will see what it amounts to.

The CHAIRMAN.—What were your total figures?

Mr. PRINGLE.—I am taking his figures entirely for this computation, and the total is 2,336,201; I base it on his estimate of 25 cents a yard. We will take one-fourth off your total figures, it will be a little more than one-fourth—

The WITNESS.—(After making calculation) I am ready now with the figures.

By Mr. Pringle:

Q. What do you make it?—A. 132,380 cubic yards of rock at \$2.50 is \$332,000 even; 2,400,650 yards of other material at 19 cents, \$456,132, a total of \$788,132.

Mr. STEWART, K.C.—Tell us how much has been paid.

Mr. PRINGLE, K.C.—All right. That is it has not been paid, but according to place measurement the total, as I make it, would be \$936,247.

The WITNESS.—That is right, \$936,147.

Q. I have it \$936,247?—A. This (indicating paper) is according to the reports.

Q. But it has not been paid yet?—A. It has not been paid; that is what they have earned.

Mr. PRINGLE, K.C.—That is what is in dispute at the present time.

By Mr. Stewart:

Q. Just here I would like to ask is there not a quantity that has not been taken out yet?—A. That is not included in this, no. That is \$168,015 more I estimate than would have been if—

Mr. PRINGLE, K.C.—Of course I was computing this on your evidence of the other day.

By the Chairman:

Q. You computed it at 19 cents?—A. Yes.

Q. How much is it?—A. The actual money of the contract now is \$168,015 higher than it would have been, that is on the basis of \$2.50 for rock and 19 for other material.

By Mr. W. H. Bennett:

Q. Look at those figures. Is it '48' or '68'?—A. \$168,015 (consults notes). \$148,015 in favour of the contract.

By the Chairman:

Q. On the basis of 19 cents?—A. 19 cents and \$2.50. Class 'A' at \$2.50 and Class 'B' at 19 cents.

By Mr. Davidson:

Q. How do you get at the estimate of 19 cents?—A. It is the average of my original estimate on a 22-foot basis.

Q. Can you tell us what material was actually taken out?—A. No, because there was a different classification after the change of depth. There was an increase in the quantity of rock.

By Mr. Pringle:

Q. Well, I have not had time to check this. We will do that later. Now, Mr. Armstrong, supposing that the evidence you gave us at the last meeting had been correct, then the estimated quantities in situ would have been 2,336,201 cubic yards?—A. That is what it is now.

Q. Admitting this classification—\$5.23 for Class A—which you admit is the correct percentage, it would give 122,183 cubic yards plus 80 per cent. You have not allowed for the expansion?

Mr. STEWART.—Yes, he has in his statement.

Mr. PRINGLE.—No, he has not.

Mr. ARMSTRONG.—In what item?

Mr. PRINGLE.—219,929 cubic yards at the figures you gave us the other day—\$1.80 for rock—instead of \$2.50 as you gave us to-day. That would give you \$395,872.20. In Class B there are 2,214,018 cubic yards, plus one-third for expansion, which gives 2,952,024 cubic yards at \$738.006. The total cost according to your figures given at the last meeting, Mr. Armstrong, was \$1,133,878.20, less the cost at contractors' prices, \$936,247.50, making a saving of \$197,630.70 over the prices which you swore to as being correct at the last meeting.

Mr. STEWART.—No such figures were given at all.

Mr. PRINGLE.—I will show you the figures. We are not very much at sea in this matter.

By Mr. Pringle:

Q. You have not reduced the figures which you have given us, Mr. Armstrong, to scow measurement. Why did you not take your plus 80 per cent for the rock and your plus one-third for the earth and figure it out in that way?—A. Do you mean on the situ measurement?

Q. I mean this was all scow measurement. Consequently you have got to take your situ measurements, allow your expansion factor and then compute your price. It was all scow measurement, figure that out.—A. I have reduced the scow to situ measurement.

Q. In this statement furnished me the total situ measurement was 2,310,400 cubic yards. Then you have got to take——?—A. No, I added 25,801 of excess depth, making 2,336,201 yards in situ.

Q. Put that in scow measurement?—A. That comes back to the old thing.

Q. I have worked it out to my satisfaction, now you work it out. Reduce that to scow measurement?—A. You mean increase it to scow measurement?

Q. Yes.—A. Why should I do that?

Q. I will show you why.

Mr. STEWART.—On what basis, (Mr. Pringle.

Mr. PRINGLE.—Because we were paid scow measurement.

Mr. STEWART.—In order to make a comparison you have to reduce the quantities paid for by scow measurement back to situ. That is the only way of making a comparison, just as Mr. Armstrong is doing it.

Mr. CARVELL.—Why should not Mr. Pringle have the right to ask a question of witness?

The CHAIRMAN.—He has the right.

Mr. STEWART.—I want to make it clear what Mr. Pringle is asking: To what extent that quantity in situ goes in scow measurement? The only way to make your comparison on that basis is to reduce your scow measurements back to situ, and that is what Mr. Armstrong is doing.

Mr. PRINGLE.—In the statement which Mr. Armstrong has made and which you handed me, he has taken the scow measurement returned by the inspectors and reduced it to situ measurement.

Mr. STEWART.—That is right.

Mr. PRINGLE.—Now we should take the quantities which he estimates at 2,336,201 cubic yards in situ, and allowing for a classification of 5.23 per cent in Class A, that comes in situ to 122,183 cubic yards. Add your expansion factor of 80 per cent, which has got to be added, and it gives 219,929 cubic yards, which he has got to figure at \$2.50 a yard; and taking Class B at his figures of 2,214,018 cubic yards and allowing his own expansion factor of one-third, we get 2,952,024 yards scow measurement.

Mr. DAVIDSON.—This is an extraordinary way of conducting an examination.

Mr. PRINGLE.—I am examining the witness.

By Mr. Pringle:

Q. Will you give us the correct amount of situ?—A. 2,310,400.

Mr. GERMAN.—Does that cover the whole thing?

Mr. PRINGLE.—He says it does and we will take that as his statement.

By Mr. Pringle:

Q. Now the quantity returned by the inspectors to the end of December, 1912?
—A. That is in scow measurement.

Mr. GERMAN.—2,310,400 covers everything in situ?

Mr. PRINGLE.—Yes.

By Mr. German:

Q. What would that be in scow measurement?—A. 3,439,152 cubic yards. I had to take the inspector's returns to reduce that to situ measurement.

By Mr. Pringle:

Q. I may be all wrong, but will you work this out for me. Take this 2,310,400 yards in situ, and calculating 5.23 of that as class A—A. Oh, but that is taking the different in percentage of rock so as to arrive at the money calculation.

Q. I am taking the percentage and you can work it out as shown by the engineers' reports of what was rock and what was earth. Take 5.23 as rock and then we will get our expansion. Will you figure that out?—A. I will, 238,284 is rock.

Mr. STEWART, K.C.—Mr. Chairman, we must take in the expansion factor there in that.

Mr. PRINGLE, K.C.—I will come to it, but surely I know something about this, let me cross-examine in my own way.

Mr. STEWART.—You are not making a fair comparison there at all.

The CHAIRMAN.—You can re-examine the witness if you want to. It will not do Mr. Pringle any good if he is not acting fairly.

By Mr. Pringle:

Q. 238,284?—A. That is in the scow.

Q. Rock in the scow?—A. Yes.

Q. Now then, how much class 'B'?—A. 3,200,868 cubic yards.

Q. And that gives us a total?—A. Yes, a total of 3,439,152 yards.

Q. And that reduced to situ will give us a total of class 'A' 132,380, and class 'B' 2,400,650 or a total of 2,533,030 yards?

The CHAIRMAN.—Is the witness agreeing to this?

WITNESS.—Yes.

Q. Now, then, let us take the cost of the basis of your estimate. The estimate of the quantities made by you, Mr. Armstrong, was 2,310,400 yards in situ?—A. Yes.

Q. That is correct, isn't it?—A. Correct.

Q. Do you or do you not to-day add the 25,000 which apparently was allowed by the engineer? A. I added it, because it has been paid for and deducted; it would not be added to this though.

Q. Well, don't add it to this. Take 2,310,400 and take 5.23 per cent of it rock and what will that give us?—A. Is 5.23 the percentage of difference between the rock and the other materials?

Q. We will argue that again. According to the engineers I have had working on this that is the exact percentage as determined by them—whether that is right or wrong I do not know?—A. You want me to take that as a basis whether it is right or wrong?

Q. Take 5.23 as the percentage?—A. Of the 2,310,000?

Q. Yes?—A. \$120,833.92.

Q. No, no, yards—it is not dollars?—A. Oh! yards, 120,833.

Q. Now then the balance would be earth?—A. Of the 2,310,400?

Q. Yes, that would leave of earth, as I make it, 1,189,567, is that correct?—A. 2,189,567.

Q. Yes, 2,189,567 yards. Now then the expansion factor to reduce it to scow measurement would be 50 per cent for Class 'A'?—A. That is what I have allowed.

Q. Now add that to the 120,000?—A. To the 120,000?

Q. Yes?—A. 966,664.

Q. No, no, add 96,000 to the 120,000?—A. 220,499.

By Mr. German:

Q. 217 000, isn't it?—A. 217,499.

Q. Now then you add one-third tax 2,189,567 and that would make 2,919,422. Taking the rock at \$2.50 your estimate for 217,499 yards or rock at \$2.50, what do you make that as the cost of the rock?—A. \$543,747.50.

Q. That is right, the rock would cost according to scow measurement, \$543,747.50, and what would the earth cost at 19 cents?—A. \$554,690.18.

Q. Well that is approximately right anyway.

Q. What would that make the total?—A. \$1,098,437.68.

Q. Now then, Mr. Armstrong, taking your own figures in situ, taking your own estimate of \$2.50 for rock and 19 cents for earth, and reducing this, or increasing it rather to scow measurement, on the percentage of 5.23 for Class 'A' and the balance other material, that would give a total of \$1,098,437.68, that is correct, is it not?—A. That is correct.

Q. \$1,099,000?—A. \$1,008,000 is right.

By Mr. Pringle:

Q. Now that would show that these people at the figures they have done the work for, have saved this country \$162,190 as between your estimate and our figures?—A. \$162,298.16.

Q. I think you have made a mistake, however, it is immaterial. We have done this work for \$162,190 less than the estimates made by the engineer's department—that is allowing us for the full quantity the inspectors have returned. Do you agree that that is the correct amount?—A. My estimate was on the first contract not on the second.

Q. But we have got rid of that difference now. Yesterday you told me 25c. a yard for earth and \$1.80 for rock, and on that computation I find we have done the work for \$197,630.70 less than the estimate. Now you have changed it and you have said your estimate for this work was \$2.50 for rock and 19c. for other material. On that latter basis and taking your measurements in situ, and a percentage of 5.23 for rock and the balance other material, it figures out that we have done the work for an amount less than the estimate by \$162,190?—A. Yes, if that 5.23 percentage is right.

Q. All we have got to govern us in that, is the engineer's reports.

By the Chairman:

Q. What do you say as to the percentage of rock?—A. How did you get that 5.23, Mr. Pringle?

MR. PRINGLE.—From taking the rock returned and certified to by the district engineer.

MR. ARMSTRONG.—What is that?

MR. PRINGLE.—It is 5.23.

MR. ARMSTRONG.—In situ?

MR. PRINGLE.—Yes.

By Mr. Pringle:

Q. Now when you made your soundings there was an increased depth from 22 to 26 feet. You made your soundings every 20 feet?—A. Every 20 square feet, yes.

Q. You take a square 20 feet and made your soundings at the four corners of the square?—A. Yes.

Q. And while this is fairly accurate it has been proved not to be absolutely accurate. It is only approximate?—A. A close approximate estimate.

Q. It is only approximate?—A. Yes.

Q. Now, when we come to deal with the expansion factor I see there is a great deal of diversity of opinion not only among practising engineers but among engineers who have written on this subject, except as regards the quantity of rock. They all seem to be pretty nearly of one opinion, that the expansion factor in rock is four-fifths. As Trautwine puts it 'for every yard of rock in situ one and four-fifths should be allowed, scow measurement.'?—A. I do not know that Trautwine says that.

Q. I do, I have seen it and you will agree that Trautwine is a pretty good authority on engineering. Now, when it comes to earth I find a great difference as to the expansion factor according to the material?—A. Will you allow me to answer that first question in some detail?

MR. PRINGLE.—Yes.

MR. ARMSTRONG.—The expansion factor is based on the size of the rock that is put in the scow. If the rock is large the expansion factor is greater. If the rock be small the expansion factor is less, and the same way with the earth.

By Mr. Pringle:

Q. And so, on the average, the expansion factor in rock is four-fifths?—A. Not the average.

Q. Well, I have gone into that matter in detail?—A. So have I.

Q. Anyway, we agree that it is four-fifths?—A. No, I do not.

Q. You swore to it the other day?—A. I allowed 80 per cent the other day.

Q. You considered 80 per cent a fair allowance?—A. An extremely fair allowance.

Q. You have allowed 80 per cent and on earth you have allowed 33½ per cent?—A. Yes.

Q. Do you agree with me that it depends very largely on the class of material?—A. Certainly.

Q. In some classes of material it will exceed that?—A. Not in rock.

Q. I am not talking of rock now?—A. I do not think it would exceed that in any case.

Q. You don't think so?—A. No.

Q. Why did this government allow in Gananoque 46.7 per cent as an expansion factor?

MR. BENNETT.—Is that a fact?

MR. PRINGLE.—Yes, I will prove that that figure is not considered unreasonable.

MR. BENNETT.—Where did you get that figure?

MR. PRINGLE.—I will bring all the evidence in due time.

By Mr. Pringle:

Q. I will put it in this way. Is 46.7 per cent too large a factor, having regard to the soil?—A. For other material?

Q. Yes?—A. It depends on the amount of boulders.

Q. Yes, it depends entirely upon the character of the soil and the material that is being excavated, whether it should be 33½ per cent or greater. Now, sir, I find at Fort William, during 1912, that 40 per cent is the expansion factor in other material. Would you say that that is unreasonable, or have you got to say that it depends entirely upon the class of material?—A. It depends on the class of material and the classification made by the inspectors.

The CHAIRMAN.—Fort William may be as unreasonable as this, for all we know.

Mr. PRINGLE.—I think when it comes to the test we will show this is not unreasonable.

Mr. BENNETT.—Was this in 1912, Mr. Pringle?

Mr. PRINGLE, K.C.—Yes, it was in 1912.

The CHAIRMAN.—It may be just as unreasonable for all we know.

By Mr. Pringle:

Q. Well, Mr. Armstrong, as you have already very candidly said, it all depends, the expansion factor is governed entirely by the class of material that is to be excavated?—A. And the classification made by the inspectors or the resident engineer on the work.

Q. And the classification by the inspectors and the resident engineer on the work. I am informed, rightly or wrongly, that there was a resident engineer on this work during the last two years?—A. Last year there was a second year school of practical science student on the work, that is in 1912, but there was none before that.

Q. I suppose you would not say he was not competent, if that is what you are getting at?—A. I would not say so unless you asked me.

Q. Wasn't he perfectly competent to classify as to material?—A. I am not going to malign any student.

Q. What would you say?—A. I would say he was if he had any experience in dredging before.

Q. Would you say that he was competent?—A. I would say he was if he had any experience in dredging before.

By the Chairman:

Q. What was his name?—A. Irwin.

By Mr. W. H. Bennett:

Q. Just before you leave that, are you prepared to say that Mr. Irwin was there all the summer right on the work?—A. No, I am not.

Mr. BENNETT.—Of course not, he was not there either. We can show where Mr. Irwin was the better part of the summer and where he was boarding too.

By Mr. Pringle, K.C.:

Q. Assuming for the purpose of argument, and I am taking in now all that was dredged in Victoria harbour by the Owen Sound Dredging Company and all that was dredged in Victoria harbour up to the end of the year 1912, while really I do not think we have anything to do with it in this committee, but I am taking that all in, and assuming that the expansion factor that you have given us as to rock is correct, and taking the expansion factor for other material we will say at less than allowed at Gananoque, we will put it at 45 per cent, I find there would practically be no over-measurement. Have you ever computed that?—A. I don't see why I should take the Gananoque work as a criterion.

Q. I am not asking you whether you should or not, what I am asking you is whether you have ever computed it on that basis?—A. No, I have not.

Q. I say that for the purpose of argument and of getting a computation that we should take the expansion factor which was taken this summer at Gananoque and in order to get an even figure instead of 46.7 we will take it at 45 per cent, and I find there would be no over-measurement. Did you ever figure that?—A. No.

Q. You did not figure that, you would not say that would not be correct?

The CHAIRMAN.—He says he does not know.

Q. No, you don't know. Now, then, in this harbour especially at the opening there was a good deal of what we called silting?—A. Soft material.

Q. Soft material, silting is one of the most troublesome things we have to deal with in dredging?—A. Yes.

Q. You can dredge it out and it refills?—A. Yes.

Q. And you do not know, as a matter of fact, that Mr. Rogers here who had charge of the dredging had to go over that opening to the harbour three or four times, under instructions from the engineer in charge on account of the silting?—A. No, I don't know that.

Q. You do not know that; but you would not be surprised to hear it would you? The CHAIRMAN.—He says he does not know it.

Mr. W. H. BENNETT.—Let us understand who you are referring to as the engineer in charge.

Mr. PRINGLE, K.C.—I am not saying who it was, the engineer in charge, whoever it was, and who would not be there if he were not competent.

A. The dredging of that silting material was done in 1911, and I have no knowledge of their going over the ground with the dredge three or four times.

Q. Then let us put it this way: if under instructions from the engineer in charge they had to go over the ground three or four times at the entrance to that harbour they would be allowed for the material they took out?—A. Should be.

Mr. W. H. BENNETT.—Mr. Rogers is here. Ask him who the engineer was who gave those instructions.

Mr. PRINGLE, K.C.—I do not care a button about it, but we will call Mr. Rogers at the proper time.

The WITNESS.—I might add, however, I have taken soundings over the same area for three years and I found very little if any difference in the depth in 1911 and 1913.

By Mr. Pringle:

Q. All I want to know from you is this: If there were silting and it became necessary for the dredgeman to go over the ground two or three times in order to take out the material that had silted in, then they should be paid for it?—A. Certainly.

Q. They should be paid for it, and that would be included in their scow measurement.

By the Chairman:

Q. Would you have discovered silting in that way, going over it?—A. We would discover filling up because it would reduce the depth of water.

Q. You haven't discovered that difference?—A. I have not discovered any difference in the depth of water at all.

By Mr. Pringle:

Q. There is more or less silt all over that harbour, isn't there?—A. At the outer end.

Q. Now, talking of your soundings, is it not very difficult to sound in silt, especially when sounding through the ice?—A. Occasionally, yes.

Q. Occasionally it is. I understand that with this silting material if you are sounding either with a pole or with a plumb that it will go right in the silt without your detecting it?—A. In very, very soft silt it would.

Q. Then you are not in a position to say that your sounding pole, or sounding lead—was it a lead or a pole you used?—A. A sounding lead.

Q. You are not in a position to say that your sounding lead did not go down six or eight inches in silt in places?—A. Only from the records, there is no variation in the depth of water for the last three years.

Q. But how can you say, or how can you tell me, I do not know whether it is possible for you to say that your lead did not go down in the silt?—A. It would show on the lead.

Q. And did it not show on the lead?—A. No, the lead was clean when it came up.

Q. But would it not be clean, coming up through 22 feet of water?—A. There was not 22 feet of water there.

Q. What was the depth?—A. 20 feet.

Q. Would not the silt get out of your lead coming up through 20 feet of water? Would it or would it not?—A. Sometimes it would and sometimes it wouldn't.

Q. Now assuming for the purposes of argument, if there were six inches of silt over the area it would make a difference of over 61,000 yards?—A. Yes, but you could not estimate that at 40 per cent scow measurement

Q. No silt, all water, practically?—A. Yes.

Q. But still, taking up silt they are entitled to payment for it, and the expansion factor in silt would run up to—?—A. Nothing at all.

Q. It wouldn't?—A. No. I think silt would be composed largely of water. If they got paid for a scow filled with water it would be a different question.

Q. You think there could be no expansion factor in silt?—A. Practically none.

Q. Well, I may be wrong, I am not experienced in dredging, but I understand it is almost a floating material on the bottom, that it is moving about and is composed largely of water, and when it comes up it comes up with water?—A. It is heavier than water.

Q. Yes, that is as I understand it, and in this harbour, stretching in for a long distance, there was a great deal of silt?—A. Only in the outer end. The last 300 feet was the worst.

Q. Well, that is a considerable distance. I understood it was 500 or 600 feet. That would make a difference?—A. It would make a difference.

Q. And if there were 12 inches of it, it would make a tremendous difference?—A. Certainly.

Q. Now you make a difference of a very considerable number of yards between situ measurement and scow measurement—that is allowing for expansion factor. But as you have already said, if the expansion factor was increased to 45 per cent for earth, you could not tell just what it would be. I have it computed and I see it makes practically no difference. Have you been in charge of this work for the last four years?—A. Not while dredging in the summer.

Q. Have you been in the office when the returns have been sent in?—A. The returns all came into the Toronto office first.

Q. And from the Toronto office they were sent to the chief engineer of the Public Works Department?—A. The assistant chief engineer.

Q. And you helped to make out those returns?—A. No, I had nothing to do with them.

Q. You won't take any responsibility on that score?—A. No.

Q. But they did come in from year to year, showing the quantities of rock and the quantities of earth?—A. Oh, yes.

Q. And they were certified to by the district engineer?—A. I believe so.

Q. And according to the terms of our contract that is all that was required by us?—A. Yes.

Q. That closed that book from year to year?—A. Yes.

Q. So the whole book is a sealed book up to 1911? The engineers have passed everything up to 1911?—A. Yes.

Q. But 1912 has not been closed because Mr. Sing was unable to sweep the harbour before the season closed?—A. No, he didn't sweep the harbour to 25 feet.

Q. Oh, he didn't?—A. No.

Q. Why?—A. He swept it at 22 feet in both places.

Q. Well, Mr. Sing's returns here show that he swept the harbour in 1910 and 1911, but you say he didn't do it?—A. Not in 1912, I say.

Q. But he did it in 1909, 1910 and 1911?—A. Not down to 25 feet. He could not do it when it was not dredged to that depth.

Q. He swept it down to the point the contractors claimed had been dredged?—A. At certain places, yes.

Q. At any rate, you say he gave in his certificates?—A. I did not say that, I don't know anything about what certificates he had.

Q. Now, then, on May 8, 1912, Mr. Dufresne writes to Mr. Sing *re* Victoria harbour and he says, 'Extension comprised 515,921 cubic yards; class A, 23,319 cubic yards, scow measurement to complete the original scheme, and an additional quantity of 539,679 cubic yards class B required to extend the slip.' Have you taken these figures into consideration?—A. Yes.

Q. Now, I notice in some letters from the department that they refer to the expansion factor in earth as being about 34 per cent. You don't disagree very much from that?—A. No.

By Mr. Stewart:

Q. Mr. Armstrong, something was said about the datum plane in the change from 580 to 578. A note appears on the plan to that effect. What basis for calculation was used all through?—A. On the east the basis of plane was 580.

Q. And that is the one that has been adopted all through?—A. Yes.

Q. And if the 578 had been adopted instead of 580 what effect would that have had on the deduction against these contractors for going below depth?—A. I don't understand the question.

Q. If the 578 had been adopted instead of 580 what effect would that have had on the deduction against these contractors for going below depth?—A. It would reduce it very largely.

Q. But the 580 has been adhered to throughout?—A. Yes.

Q. Now the expansion factor you have taken at 35 per cent?—A. On class B.

Q. Who fixed that in this particular case?—A. Mr. Sing.

Q. That is the chief engineer, by whom Mr. Pringle says they were bound in everything, fixed that as the expansion factor in this case?—A. He fixed that in the deduction of the excess dredging too.

Q. In calculating the excess dredging that is what he allowed?—A. That is what he allowed.

Q. That is the expansion factor he allowed?—A. Yes.

Q. Now in your experience as an engineer in dredging work, how do you find that expansion factor in regard to other material to work out?—A. Other material.

Q. Yes?—A. About the same.

Q. What do you mean by 'about the same'?—A. About 33½.

Q. Can you tell us of any place where it has worked out in that way?—A. In dredging?

Q. Yes?—A. It worked out in Meaford, and in Deseronto and in Trenton.

Q. You found it actually worked out according to that factor in those places?—A. Yes—those were place measurement contractors, remember, Deseronto and Trenton, not scow measure contracts.

Q. But you found that factor working out right?—A. Yes.

Q. Is it not a fact that very often the scow measurement is checked up by the situ quantities taken out?—A. It always should be.

Q. And in doing so what factor of expansion is allowed for class 'B'?—A. The usual allowance is three-fourths.

Q. For class 'B'?—A. 33 per cent.

Q. What do you say it is?—A. One-third.

Q. And for class 'A'?—A. Class 'A' would vary according to the character and size of the rock, as I said before.

Q. And if there is considerable small rock what should the allowance be?—A. The factor will be less than 80 per cent.

Q. And your allowance of 80 per cent in this case is made on the assumption that the rock was all in large pieces?—A. I allowed a fair margin.

Q. Now will you just return to this statement which you put in the other day and just turn to your summary there. The quantities returned by the inspectors are scow measurement, are they not?—A. They are.

Q. And you made your calculation of the quantities in situ?—A. I did.

Q. Then in order to make a comparison what did you find it necessary to do?—A. I made the reduction on the basis of 80 per cent Class 'A' and one-third for Class 'B'.

Q. That is you reduced the quantities returned by the inspectors back to situ measure?—A. Yes.

Q. And then subtracted the difference?—A. Subtracted the difference.

Q. And you found the excess quantity to be 196,829?—A. Yes.

Q. And what percentage did you take of that to be rock?—A. 10 per cent.

Q. And why did you take 10 per cent rock?—A. Presumption.

Q. What do you base that presumption upon?—A. It is very nearly, according to my estimate of the first survey.

Q. Do you consider the returns made by these inspectors when reducing back to situ for the purpose of arriving at that?—A. I could not have done that because I would have found it less than 10 per cent.

Q. It is not much less than 10 per cent; just look at it and see what it is actually upon that basis. You have 196,289 excess, haven't you?—A. Yes.

Q. What was the quantity of rock returned by scow measurement when reduced back to situ?—A. On the 196,000 do you mean?

Q. Yes, when reduced back to situ, isn't it 132,380?—A. That is on the original reduction?

Q. Yes.—A. Yes, 132,380.

Q. That is in situ?—A. Yes.

Q. On rock. Well what percentage would that be of your total here, it would be more than 5 per cent?—A. On the 196,800, yes.

Q. It would be nearer 10 than 5?—A. Nearer 10 on that, yes.

Q. Now on making the calculation that Mr. Pringle asked you to make have you found anything that interferes with this first calculation that you made?—A. Nothing, whatever.

Q. Does this hypothetical proposition which he has put to you in any way interfere with or alter the figures which you gave in the other day?—A. No.

Q. Have you any reason to change any of those figures?—A. Not the last statement, no.

Q. And you still think the excess shown there is 196,829?—A. On my expansion factors.

Q. On the expansion factors you have given?—A. Yes.

Q. And you think that fair?—A. Yes.

Q. And you still think the overpayment in money is \$32,804.75, if it is all classed as Class 'B'?—A. Yes.

Q. And if classed 10 per cent rock and 90 per cent other material the over payment would be \$109,235.25?—A. Yes.

Q. Have you seen or heard anything here today to cause you to change your opinion on that?—A. No.

Q. Nothing to indicate that you have made any error in those figures?—A. No.

By Mr. German:

Q. If Class 'A' is 5 per cent would that not change your opinion?—A. It would but I think Mr. German—

Q. Never mind about that. What difference would it make in the amount of money?—A. I haven't moneyed it out, but you see the percentage must be taken from the amount of overplus quantity, and the amount of overplus quantity in comparison to the percentage would give 10 per cent, nearly, on rock.

Q. I understand that is your calculation?—A. Yes.

Q. But if Mr. Pringle's statement is right it would make a difference?—A. I grant you that, I have said that.

Q. It would make a very material difference?—A. Yes.

Q. You have not figured it out in money?—A. Not according to the percentage he has mentioned.

The CHAIRMAN.—And the only way of arriving at this percentage is the report of the inspectors certified by the engineers; the way you arrive at the 5.23 is from the report of the inspectors certified by the engineer.

Mr. STEWART, K.C.—I think there is some confusion between the two because this has been worked out very carefully.

Mr. PRINGLE, K.C.—I had a very efficient engineer work it out yesterday and he says it is 5.23.

By Mr. Stewart:

Q. Now as to quantity of silt in this harbour was there anything to indicate in your observation that there was a large quantity of it?—A. About 250 feet in length of the channel at the outer end is the worst part, the finest material.

Q. Was there any large quantity of it even in that area that you found?—A. There could not have been because the water was 20 feet deep.

Q. Did you ever hear from the contractors that they were having any trouble from the silt, or anything of that kind?—A. They would not communicate with me on that matter at all.

Q. You never hear anything of that kind?—A. No.

Q. And what is the character of the harbour outside of this area that was dredged?—A. Outside altogether?

Q. Yes?—A. Very, very silty.

Q. Very silty outside is it?—A. Very.

By Mr. Davidson:

Q. Did you ever find silt in deep water?—A. No, we find hard, compact sand in deep water; the weight of the water makes it hard.

By Mr. Pringle:

Q. You say outside the harbour was very silty. Consequently, any rolling sea would carry the silt into the harbour, that is common sense?—A. I suppose it would to a certain extent.

Q. Now then, one or two points have been brought out in the re-examination by my learned friend. You have said, in regard to Trenton and Deseronto, that this is established?—A. I did not say that they established it. I say that was what we found.

Q. You say that has been found? Now what was the price at Trenton?—A. I won't be sure, I think it was \$4.25 for rock.

Q. In 1912, I find that at Deseronto rock was \$4.25 in place. What would that be taking your 80 per cent deduction, in scow measurement?—A. It would be 80 per cent of that,

Q. No, it wouldn't, you would have to deduct 80 per cent. Now, do you know what Port Hope was?—A. No, sir.

Q. Byng Inlet?—A. No.

Q. I understand it was \$5.49, scow measurement?—A. I don't know anything about it.

Mr. BENNETT.—How many yards were taken out.

Mr. PRINGLE.—I don't know anything about it.

Mr. BENNETT.—Bring your information here so that we can ask him.

By Mr. Pringle:

Mr. PRINGLE.—You can find out as easily as I can.

Q. In Nicolet river it was 30½ per cent for earth dredging, that is place measure, isn't it?

Mr. BENNETT.—This witness does not know anything about it and you are simply putting it on the record.

Mr. PRINGLE.—This witness referred to Meaford, Deseronto and Trenton. I happened to have these figures and I want to know what he has to say about them. In Meaford it was 32 per cent for scow measurement, as I understand it. Could you work out what it was in place measurement at Meaford?

The CHAIRMAN.—Does he know?

Mr. PRINGLE.—He told my learned friend a minute ago that that was the percentage arrived at in 1912 at Meaford, Deseronto and Trenton.

Mr. STEWART.—No, I asked him if it worked out within that percentage.

Mr. PRINGLE.—And he said it did.

By Mr. Pringle:

Q. When did you work that out in place measurement for Meaford?—A. I haven't referred to any contract.

Q. You did not work it out in 1912?—A. It was done by our own dredge.

Q. When was it done?—A. In 1911.

Q. So you don't know about 1912?—A. No.

By Mr. Bennett:

Q. Prices are dependent to a great extent on the quantities to be removed. If there is an enormous quantity the price will be cheaper?—A. Certainly.

By Mr. Pringle:

Q. Now then, about this rock: you say you based your 10 per cent on the estimate you made in 1908 of the percentage of the different materials, and you estimated about 10 per cent rock?

Mr. STEWART.—He did not say that.

Mr. ARMSTRONG.—I did not base my estimate at 10 per cent for the original survey at Victoria harbour.

By Mr. Pringle:

Q. You did not?—A. No.

Q. As a matter of fact, you did not know anything about what rock there was below the 22 foot level?—A. Oh, yes, I did, I knew there was rock there.

Q. But you did not know the quantities or the proportions?—A. No.

Q. And you simply guessed at them?—A. No, I had the percentage from comparison of the situ quantities.

Q. And you estimated considerable rock at the 22-foot level? I understood you to say the other day there was no rock at the 22-foot level?—A. I went on the safe side.

Q. So, in order to be on the safe side, you say that there is no rock at the 22-foot level?—A. I allowed for boulders.

Q. But not solid rock?—A. No.

Q. But you put it in here as solid rock?—A. It is reduced to solid rock. Every boulder over two yards counts as solid rock.

Q. Did you put it in your original estimate of 1908—

Mr. STEWART.—I must protest.

Mr. PRINGLE.—He told me the other day there was no solid rock at the 22-foot level.

Mr. STEWART.—That was on the other location altogether, Mr. Pringle. It was on the location south of the island.

By Mr. Stewart:

Q. You said, Mr. Armstrong, that boulders over two yards are classed as solid rock?—A. Yes.

Mr. STEWART.—I think that is all, Mr. Chairman. My learned friend informs me that Mr. White has been unable to locate the books of the Canadian Dredging & Construction Company. Mr. Grant is too ill to give any information, so I have no other witnesses ready. I am making a calculation with regard to another harbour at Tiffin, but it is not ready yet.

Witness retired.

Mr. PRINGLE.—I have Mr. Rogers here. I do not want to bring him back again. I just want some evidence from him in regard to their having to re-dredge, under the instructions of the engineer, this silt material for which Mr. Armstrong very fairly says they should be allowed. And I think that ought to be on the record.

The CHAIRMAN.—I think it would mix the case up to examine Mr. Rogers to-day. He can come back again.

Mr. STEWART.—I would like to have this document of Mr. Armstrong's addressed to Mr. Sing, put on the record.

The CHAIRMAN.—It shall be filed.

(Document filed.)

'DEAR SIR,—*Re* proposed new channel at Victoria Harbour for C.P.R. terminal.

'Acting in accordance with your instructions dated January 9th, '08. I left here same date for Victoria Harbour, and accompanied by I. L. Kelman, inspector of dredging, and four men, made the survey and took soundings of the proposed new channel for C.P.R. terminal.

'I have prepared the surface plan, estimate of cost of proposed work, and now append the items of latter in detail, in situ, estimated on a depth of 22 ft. below a plane of 580.—

No. 1..	1,134,648 cu. yds. soft mud and clay at 12c. cu. yd.. . .	\$126,157 76
No. 2..	115,208 cu. yds. ordinary hardpan at 30 c. cu. yd.. . .	34,562 40
No. 3..	155,880 cu. yds. hardpan and boulder at 45c. cu. yd..	70,146 00
No. 4..	11,600 cu. yds. solid rock at \$2.50 cu. yd..	29,000 00

Total cubic yards, 1,417,336; total cost, \$269,866.16; average for whole, 19c. per cubic yard.

(Sgd.) J. H. ARMSTRONG,
1st Asst. Engineer.'

TORONTO, January 31, 1908.

Committee adjourned.



EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

DREDGING IN MIDLAND, TIFFIN AND VICTORIA HARBOURS

No. 6—FEBRUARY 18 and 26, 1913



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1913

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

COMMITTEE ROOM No. 101,

TUESDAY, February 18, 1913.

The Select Standing Committee on Public Accounts met at 10.30 o'clock, a.m., the Chairman, Mr. Middleboro, presiding.

The committee proceeded to the further consideration of a payment of \$255,509.41 in connection with dredging at Tiffin, Ontario, and Victoria Harbour, Ontario, as set out at page V—36, of the Report of the Auditor General for year ending March 31, 1912.

Mr. STEWART, K.C.—Mr. Chairman, at the last adjournment I announced that we proposed going on with some figures relating to Tiffin to-day. I asked from the District Engineer's office at Toronto certain information, a portion of which came to hand last week, and we are expecting some more of it. Yesterday I came to Ottawa and found that what should have been sent has not been sent, so we telephoned the District Engineer's office yesterday and the remaining part will come on to-day. We are not able to go on with that part of the examination until these figures arrive, so I will have to ask that you let the matter stand until next week. In the meantime, I want to ask Mr. Pringle about the books of the Company which were missing on the last occasion and which we are endeavouring to locate. Have you found them yet, Mr. Pringle?

Mr. PRINGLE, K.C.—Mr. Grant is not able to be about as yet.

Mr. STEWART.—When do you expect to be able to produce Mr. Grant?

Mr. PRINGLE.—It is absolutely impossible for me to say. Last week he had a very bad turn, and he is in a very critical condition of health.

Mr. STEWART.—There are four lines of investigation I wish to pursue from the books, concerning the inspectors; the dealings between the two companies, the Owen Sound and the Canadian Dredge and Construction Company; the running expenses showing everything paid and to whom; and travelling expenses in connection with the appointment of inspectors. All these I believe, would be disclosed by the books if they are produced, and I would ask my learned friend if he can find those books and get them down here. And I will undertake, if this information comes from Toronto, to be ready to go on next Wednesday with the figures for Tiffin.

Mr. PRINGLE.—You are prepared to go on next Wednesday with that evidence?

Mr. STEWART.—If it comes to-day, as I expect it will.

Mr. PRINGLE.—Mr. Chairman, I am not objecting at all to the adjournment, as I think Mr. Stewart has done everything possible to get his evidence here to-day; but he is going to call some official—he has not given us the name or what connection he has with the Department—and I think it is only fair to my clients and to myself that there should be a direction that Mr. Sing should be present at the next meeting. This engineer, no doubt, is going into figures in connection with Tiffin Harbour, and probably does not know anything personally about the work. I cannot very well cross-examine him unless I have some conference with the man who was in charge of the work, and I have no control over Mr. Sing who is a government official connected with the Department that Mr. Stewart represents; but I think it only fair that Mr. Sing should be present so that I can get some information from him as the examination proceeds; otherwise it means delay until after the adjournment and until I have an opportunity of conferring with Mr. Sing and seeing all the documents in connection with the Tiffin matter.

Mr. STEWART.—The reason Mr. Armstrong was called on the last occasion was because he had personally made the measurements and knew the conditions at Victoria; and the engineers whom I will call will have the same personal knowledge of Tiffin.

The CHAIRMAN.—If it is the wish of the Committee, we will subpoena Mr. Sing to be present at the next meeting.

Mr. CARVELL.—We do not have to subpoena; the Department can simply direct Mr. Sing to be present.

The CHAIRMAN.—Very well, that can be done.

Mr. PRINGLE.—It will expedite the investigation.

Committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 101,

WEDNESDAY, February 26, 1913.

The Select Standing Committee on Public Accounts met at 10.30 o'clock, a.m. the Chairman, Mr. Middlebro, presiding.

The committee proceeded to the further consideration of a payment of \$255,509.41 in connection with dredging at Tiffin, Ontario, and Victoria Harbour, Ontario, as set out at page V—36, Report of Auditor General for year ended March 31, 1912.

Mr. E. H. PENSE, called, sworn and examined.—

By Mr. Stewart, K.C.:

Q. You are an engineer?—A. Yes, sir.

Q. And you are in the employ of the Public Works Department of Canada?—A. Yes, sir.

Q. How long have you been in that Department?—A. I have been about 8 years in the Public Works Department.

Q. You know some of the conditions up at Tiffin, I believe?—A. I was there three years ago, the last time. I remember something about it.

Q. What did you do there three years ago, Mr. Pense?—A. I made several surveys up there during the winter, soundings through the ice.

Q. And did you make a plan?—A. Yes.

Q. Afterwards you made a plan. I produce to you a blue print (exhibiting blue print) and I ask you if that is a copy of your plan?—A. Yes, that is the survey I made in January, 1908.

Q. And the soundings are shown on it there?—A. Yes.

Q. And did you make a survey of a proposed extension of Slip A. at Tiffin?—A. Well, the soundings there would include that.

Q. The soundings include that as well. And from these soundings did you make a calculation of the quantities in situ in that area that was to be included in the calculation?—A. Yes, I have a calculation.

Q. And what was the result in figures?—A. 321,577 cubic yards in situ.

Q. That is in the extended area?—A. In the extended area.

Q. To what depth?—A. That was allowing 1 foot, 7 grade to 26 feet below the zero of the gauge at Midland.

Q. That included the area, as you say, that was proposed to be enlarged?—A. Yes.

Q. You have seen a statement prepared by Mr. Armstrong, giving a calculation of quantities in situ, and scow measurement at Tiffin based on certain figures?—A. Yes, I checked that calculation.

Q. And you find it to be correct?—A. I do.

Q. I show you a statement. That is the one? (exhibiting statement)—A. Yes.

TIFFIN HARBOUR.

STATEMENT of Measurement by Scow as returned by Inspectors to end 1912.

Year.	Class 'A'	Class 'B.'
1907-8	12,139	320,969
1908-9	35,726	143,437
1909-10	41,342	150,024
1910-11	27,260½	184,142½
1911-12	48,964½	39,870
1912-13	53,568½	16,149
	<hr/>	<hr/>
	219,000	854,591

Total of both, 1,073,591.

Scow quantities reduced to situ on basis of 1.8 for Class "A" and 1.33 for Class "B."

Class "A" $219,000 \div 1.8 = 121,667$ c. yds.

Class "B" $854,591 \div 1.33 = 642,549$ "

Total 764,216 "

Deduct for excess dredging 27,801 "

Total

 736,415 c. yds.

Original situ quantities:

Section "A" 463,000 c. yds.

Extension "A" 321,577 "

 784,577 "

Add for dredging in front of Aberdeen

Elevator Boundary 1907, as per Mr.

Sing's Report of January, 1907.. 42,000 "

Total 826,577 "

Deduct for work remaining to be done 151,788 "

 674,789 c. yds.

Over-measurement.

 61,626 c. yds.

Percentage of Class "A" — 15.92.

Over-measurement of 61,626 c. yds. in situ increased by expansion factor of 1.8 for Class "A" and 1.33 for Class "B."

Class "A" $9,810 \div 80 = 17,658$ c. yds. @ \$2.25 per yd. = \$39,730.50

Class "B" $51,816 \div \frac{1}{3} = 69,088$ c. yds. @ 29c. per yd. = 20,035.52

 Amount overpaid. \$59,766.02

Q. Now, Mr. Pense, something was said on the last occasion about an expansion factor in connection with some material at Gananoque being 46 per cent. What class of material was it?—A. That was a very fine silt which had been brought down in the Gananoque river, a very fine silt and in dredging it absorbed a lot of water. The expansion factor in that might be very high, naturally.

Q. And how should that kind of material be handled, Mr. Pense?—A. That material could be handled better, I believe, with a hydraulic dredge than with a dipper dredger.

Q. And in firm earth would the expansion factor be as great as in this material?—A. Well, it is not likely, no, although materials vary.

By Mr. Pringle, K.C.:

Q. You say you made the survey in 1908?—A. Yes.

Q. Did you make that survey in the winter?—A. Yes, through the ice.

Q. And at what distance were your measurements made?—A. 50 x 20 or 25, I have forgotten now which it was.

Q. 50 x 25?—A. Yes, I think it was 50 x 25.

Q. You say you checked over this statement of Class A. There would be 219,000 yards?—A. Well I do not remember that. I checked over the mathematical, the working out of it.

Q. You just checked over the computation?—A. The computation, yes.

Q. You cannot say anything as to the correctness of these figures, except that they are computed?—A. Except my own figure, which is included there. That is correct.

Q. Just your own figure?—A. Yes, that 321,577 there.

Q. That is, Extension A, 321,577 cubic yards. Now that is the only figure of which you can speak as to its correctness?—A. Yes.

Q. You did not make the original survey of Tiffin Harbour?—A. No, the dredging had started before.

Q. All you can speak of is the extension?—A. Yes.

Q. Which is shown on this blue print?—A. Yes.

Q. Now, in making the estimate for that extension you say you took your measurements in winter. What about the silt in Tiffin Harbour? I am informed there is a very large quantity of silt in that harbour?—A. Well, I know very little about the material in the bottom there. I was taking the soundings in winter. I did not take any borings so I could not tell you.

Q. And you cannot tell, of course, whether your lead went into that silt to any extent or not?—A. I am sure it did not.

Q. What makes you so sure of that?—A. On a survey of that kind we test the bottom in the first place, and the softer the bottom the lighter we make the lead.

Q. And you did find a very soft bottom?—A. I don't remember that.

Q. Then you cannot tell us what class of bottom there was?—A. I would not like to say at present, it is so long ago.

Q. Now, have you been employed in connection with Tiffin Harbour lately?—A. Not for over three years.

Q. So that you cannot tell us in regard to the number of times that the contractors were compelled to go over their work?—A. No, I could not tell you that.

Q. Now, let us see if you can tell me on this little plan where the extension that you speak of is. (Shows plan.)—A. It would be along here (indicating).

Q. Along the upper part; however, it is not very material. You cannot tell us how many times the contractors had to go over certain portions of this work?—A. I know nothing about that.

Q. I am informed that there was one portion three hundred feet wide that was gone over twice, and another portion three times, on account of the filling for the G.T.R. tracks alongside working into the cut. Do you know anything about that?—A. I No. I would not know anything about that.

Mr. BENNETT.—What was that done for?

Mr. PRINGLE.—The G.T.R. tracks ran along the embankment and the track filling worked into the cut and had to be taken out three times.

Mr. BENNETT.—Only three times, why not thirty-three?

Mr. PRINGLE.—That is all my instructions indicate.

By Mr. Pringle:

Q. Now, you know nothing, I suppose about the reasonableness of those prices?—

A. No I would not know the material well enough to say.

Q. Now, in regard to Gananoque, what do you know about that?—A. I made several surveys there last summer and it is altogether different material.

Q. It is altogether different material?—A. Yes.

Q. But there is a great quantity of silt in Gananoque?—A. Yes, it is all a very fine silt.

Q. And you think that is the reason that the expansion factor was increased at Gananoque to 46.7?—A. Yes, on account of the fineness of the silt.

Q. Now I am not an engineer, and possibly cannot appreciate these matters, but was always under the impression that the expansion factor in silt was not as great as the expansion factor where there are boulders?—A. You get into a different type of material when you get in boulders. In boulders there is a large space between.

Q. But the large expansion factor, as I understand from engineering works, is where there are boulders. The large amount of vacant space between the boulders as they are put in the scow accounts for the large expansion factor. I am not quarrelling with you, I just want to understand this; for it is in our favour if there is a large expansion factor in silt?—A. In very fine silt there is.

Q. Now, we have the evidence of Mr. Armstrong that there was a very fine silt in Victoria harbour, so you think the expansion factor would be very large in that light silt?

Mr. STEWART.—Mr. Armstrong said there was very little silt in the area dredged there.

Mr. PRINGLE.—Mr. Armstrong said there was three hundred feet in Victoria harbour, there was a large quantity of silt which came in from the lake. The evidence is there and speaks for itself.

Mr. STEWART.—I disagree from you entirely on that. He said there was not much silt there.

Mr. PRINGLE.—The evidence speaks for itself.

Mr. STEWART.—Read it, then.

Mr. PRINGLE.—Then, at any rate, Mr. Pense, your contention as an engineer is that 46.7 per cent would not be an unreasonable expansion factor in fine silt?

Mr. STEWART.—Mr. Chairman, will you allow me to read what Mr. Armstrong said on that point?

“Q. Now, as to quantity of silt in this harbour, was there anything to indicate, in your observation, that there was a large quantity of it?—A. About 250 feet in length of the channel at the outer end is the worst part, the finest material.

Q. Was there any large quantity of it even in that area that you found?—A. There could not have been because the water was 20 feet deep.”

Mr. Armstrong says on the same page:

‘Q. And what is the character of the harbour outside of this area that was dredged?—A. Outside altogether.

Q. Yes?—A. Very, very silty.

Q. Very silty outside, is it?—A. Very.”

Q. Now, you would say, having heard Mr. Armstrong’s evidence, that if that portion of the harbour was very, very silty it would increase the expansion factor?—A. If it was very fine silt it probably would.

Q. If it was very fine silt it probably would?—A. Yes.

The CHAIRMAN.—That is outside the area dredged.

Mr. PENSE.—If there was a very small percentage of silt it would probably hardly affect the expansion factor of the whole work.

By Mr. Pringle:

Q. If there were, in that harbour, for 600 or 700 feet, a large quantity of very fine silt, that would increase the expansion factor, would it not?—A. It probably would, slightly.

Q. Slightly? Only slightly in this case and to a great extent in the case of Gananoque. Why this discrimination?—A. Gananoque is a particular place and you might call the percentage there abnormally large.

Q. Abnormally large?—A. Yes.

By Mr. Bennett:

Q. Is it a river or harbour at Gananoque?—A. It is a harbour at the mouth of a river.

By Mr. Pringle:

Q. After all, Mr. Pense, does not the expansion factor depend very largely on the class of silt?—A. Altogether.

Q. Then if, as you say, it is a very fine silt, 46.7 as the expansion factor would not be unreasonable?

Mr. STEWART.—That is, if it is all silt.

Mr. PENSE.—If it was a fine, light silt, I don't believe you could——

By Mr. Pringle:

Q. Never mind arguing the case. I am asking you a question. If it were a fine, light silt, then it would increase the expansion factor?—A. Yes, it certainly would.

Mr. PRINGLE.—We will come to the quantity later on.

By the Chairman:

Q. Is that because the water lies between the particles of silt and does not allow them to come together?—A. Yes, it is very light.

By Mr. Pringle:

Q. You say you do not know anything about the class of material at Tiffin Harbour, consequently cannot speak of that?—A. No, I could not speak on that, sir.

Q. As to the price. You do not know when the dredging commenced in Midland Harbour?—A. I could not tell definitely. That was before I joined the Toronto office.

Q. According to the records it commenced in 1892 and 1893, and at that time the dredging was only being done to 16 and 22 feet according to location, and the price paid was 20 cents a yard.

Mr. STEWART.—That is Midland Harbour.

Mr. BENNETT (Simcoe).—Which is two miles away from Tiffin.

By Mr. Pringle:

Q. But the material is very much alike in the two harbours. Now, Mr. Pense, tell me as an engineer if it is not a fact that the greater the depth you go the more expensive it is to dredge?—A. There is a very small difference I should think up to a certain limit.

Q. How is it the price always increases, you get a lower price for dredging 16 feet and a higher price for dredging 20 feet and so on?—A. I am not prepared to state definitely what the addition in price would be.

Q. You cannot tell us in regard to that?

By Mr. German:

Q. But there is a difference is there not, do you know that there is a difference?

—A. I know there is a difference but I am not prepared to say how much it is.

Q. But the price advances the deeper you have to go?—A. Yes.

By Mr. Bennett (Simcoe):

Q. If it was a short work, involving perhaps a month or two, or work that required three or more years, which would be the better or cheaper rate, on the larger job or on the small job?—A. On the larger job.

By Mr. Stewart:

Q. If you took soundings in a harbour one year and then in about two years after took soundings over the same area finding them practically the same, what would that indicate to you with reference to the silt? A. That there was very little flow on the bottom.

Q. That is what Mr. Armstrong found, that soundings taken two years after he had taken them before showed them practically the same, no evidence of filling up at all. Now, as to the depth and the charge for dredging, does not a good deal depend upon depth of cut that is to be made, the face of it?—A. Yes, that would have something to do with it. I am not prepared to state anything about relative prices of work of that kind.

Q. But all those things would have to be taken into consideration?—A. Yes.

Q. I intended to ask you, Mr. Pense, if you made a plan in connection with Aberdeen elevator and soundings there?—A. Yes, sir, I made the plan.

Q. I produce that plan. This plan takes you right up to the work that is included in Tiffin in your other plan; the two plans join on together, and the area included in the Tiffin calculation covers the approaches?—A. Yes, sir.

By Mr. German:

Q. You say that you agree with Mr. Armstrong's calculation. Do you know on what basis Mr. Armstrong made his calculation?—A. I said I had gone over the computation of it and agreed with that.

Q. Mr. Armstrong takes the number of yards shown by the soundings of the engineers in situ; he then takes the return made by the inspectors and the contractors as to the quantity and number of yards by scow measurement. Then he makes a reduction on the basis of his idea of expansion as between the quantity in situ and the quantity by scow measurement, and then the difference between what he finds in the return reduced to measurement in situ with his estimate of expansion and makes a comparison between that and the engineer's measurements when they made their soundings. Then it all depends on whether or not Mr. Armstrong made a proper allowance for expansion. I suppose that is it.

Mr. STEWART.—That is it exactly. That is all, Mr. Pense.

Witness discharged.

Mr. JOHN H. ARMSTRONG, recalled.

By Mr. Stewart:

Q. You are still sworn. Since you were here, Mr. Armstrong, on the last occasion, and since giving your figures as to quantities for Victoria Harbour, you have had access to the plan and to the calculations prepared by the C. P. R. for that harbour?—A. Yes.

Q. How did your estimate of quantities on the 22-foot basis agree with the estimate made by the C. P. R. engineers?—A. My quantities were 1,739 yards over.

Q. And what have you to say as to that difference on such a large area of work?
—A. I think it is a very close calculation of the two surveys.

The CHAIRMAN.—That is a difference of 1,700 yards on a quantity of 1,417,336 yards.

By Mr. Stewart:

Q. Who received the benefit of that difference?—A. In favour of the contractors.

Q. Because yours was the greater?—A. Mine was the greater.

Q. The difference was in favour of the contractor. Now, then, you have that plan here. If Mr. Pringle wishes to see it. I have borrowed it from the C. P. R. for the purpose of verifying Mr. Armstrong's calculation. Now, Mr. Armstrong, will you turn to page 119 of the evidence. You have it there before you?—A. I have it here.

Q. Now, Mr. Pringle asked you on your last attendance here to make a calculation and on page 119 you have given some figures. Have you any corrections to make with regard to the figures on that page, and if so tell the committee what they are?—A. The quantity of 132,380 cubic yards of rock at \$2.50 should be \$330,950.

Q. Instead of what?—A. Instead of \$332,000.

Q. Is that all the correction on that page?—A. That is all the correction on that item.

Q. Now, turn to page 122, on which the result of some calculations which you made at Mr. Pringle's suggestion is set out. What is wrong with the basis on which Mr. Pringle asked you to make that calculation?—A. He asked me to estimate the rock at \$2.50 and the class 'B' at 19 cents, whereas it should have been 19 cents for the whole of the material.

Q. In other words, Mr. Pringle took your rock and calculated it at the high price, and then took the balance of the material and calculated it at the average price?—A. 19 cents, yes.

Q. And it should have all been calculated at the average?

Mr. PRINGLE.—There is a certain percentage of rock.

By Mr. Stewart:

Q. The average was 19 cents for rock and other material, because there was practically no rock.

Mr. PRINGLE.—He figured it out to 22 feet, and the way he put it was he gave us an estimate of solid rock at \$2.50 per cubic yard; then he gave 12 cents for soft mud; he gave 30 cents for ordinary hardpan, and for hardpan and boulders 45 cents.

Mr. STEWART.—That is an average of 19 cents all round.

By Mr. Stewart:

Q. Is there any other correction on that page, Mr. Armstrong?—A. Worked out on the \$2.50-a-yard basis, 19 cents average, according to the quantities the amount would be \$1,098,437.65, and on the average of 19 cents over all, \$596,014.99.

Q. Then, on your figures would the cost be less than the amount paid to the contractors or more?—A. The cost would be less.

Q. Based on your estimate?

By Mr. Pringle:

Q. There was no rock?—A. 11,600 yards on the average of 19 cents.

By Mr. Stewart:

Q. On the same page is there any other correction?—A. On the same page another calculation is made at \$2.50 for rock and 19 cents for other material on the basis of \$5.23 for rock. This should also have been a basis of 19 cents over all material.

Q. And if the calculation is made on that basis what is the result?—A. The amount would be less than estimated on the basis of \$2.50 and 19 cents together.

Q. And would it be less than the cost as paid to the contractor?—A. Yes.

Q. Instead of showing the saving by Mr. Pringle's method, it shows an over-payment?—A. Yes, in both cases.

Q. Now then, Mr. Armstrong, I produce to you a plan of Tiffin Harbour, which I took from the files. You have seen this plan (indicating)?—A. That is prepared by Mr. Merrick.

Q. And it accompanied Mr. Sing's report. What is shown in pink on the plan (consults plan)?—A. That is an area to be dredged on the front of Aberdeen elevator.

Q. And this plan has a note upon it: 'To accompany report to the chief engineer, dated January 21, 1907, J. G. Sing.' Have you seen Mr. Sing's report?—A. I have.

Q. And that plan shows a certain quantity to be dredged in front of that elevator. Can you tell me the quantity?—A. In 1907?

Q. Yes. Can you tell me the quantity from that statement there?—A. 42,000 cubic yards.

Q. In situ?—A. Yes.

Q. Have you made a calculation of the quantities in situ that have been dredged at this harbour commencing with the year 1907 down to and including last year based on these figures?—A. I have.

Q. And it is shown by the statement which we have produced there. Will you just tell how many yards have been returned as dredged over this area included in your calculation of both classes; that is, according to scow measurement and the inspector's returns?—A. 219,000 cubic yards Class 'A'; 854,591 Class 'B'; total of both 1,073,591 cubic yards.

Q. Now, you have reduced that back to situ.

By Mr McKenzie:

Q. Where does the witness get those figures?

Mr. STEWART.—Part from Mr. Pense's evidence, part of it from this report of Mr. Sing, accompanying this plan, and where did you get the other, Mr. Armstrong?

The WITNESS.—From Mr. Sing's estimate.

Mr. MCKENZIE.—The witness can only give evidence of what he measured himself.

The CHAIRMAN.—He is telling where he got his information.

Mr. MCKENZIE.—It is not evidence. We should learn this from Mr. Sing.

Mr. STEWART.—But Mr. Sing is not here.

Mr. MCKENZIE.—We should not be overlapping the evidence of two or three people. I could not tell any more than any other gentleman of this committee where he got those facts.

Mr. STEWART.—For the present, Mr. Chairman, we have a right to assume the report of Mr. Sing accompanying this plan is correct.

Mr. MCKENZIE.—Put it in as a report. This witness is on his oath, and he has sworn to something in another man's report. I am not ascribing wrong-doing to the witness; it is rather the fault of the examiner.

Mr. STEWART.—I asked him where he got the figures, and he said from Mr. Sing's report. We got the particulars of quantity in situ from Mr. Pense's measurement sworn to here.

The WITNESS.—The original situ quantities are as follows: Section 'A,' Mr. Sing's quantities, 463,000 cubic yards.

By Mr. Pringle:

Q. Is that on this statement?—A. Yes. Extension of section 'A,'—this is Mr. Pense's quantities which he swore to this morning—321,577 cubic yards; total 784,577 cubic yards.

Q. And what is the next item?—A. Add for dredging in front of Aberdeen elevator boundary, 1907, as per Mr. Sing's report of January, 1907, 42,000 cubic yards—the area included in that pink (indicating).

By Mr. Stewart:

Q. What is the total?—A. 826,577 cubic yards.

Q. Has the work all been done at Tiffin?—A. Oh no.

Q. And did you make a survey and a calculation of what remains to be done?—A. Yes.

Q. And what is that quantity?—A. 151,788 cubic yards.

Q. That is based upon your own calculation and knowledge of the quantities?—

A. My own survey and soundings.

Q. After deducting that what quantity in situ has been estimated?—A. 674,789 cubic yards.

Q. You have reduced the scow quantities back to situ quantities, have you not?—A. Yes.

Q. What expansion factor have you allowed in doing so?—A. I have allowed an expansion factor of 1.8 for Class 'A' and 1.33 for Class 'B.'

Q. What was Mr. Sing's estimate of the expansion factor in Class 'B'?—A. 30 per cent.

Q. You have allowed 33 per cent?—A. Yes.

Q. What do you find the over-measurement on that basis?—A. 61,626 cubic yards.

Q. And have you made a calculation reducing that to a money basis?—A. I have.

Q. Upon the same expansion factors?—A. I have.

Q. And what percentage of rock do you find is being returned as dredged over that period?—A. 17,658 cubic yards at \$2.25 per yard, \$39,730.50; class 'B,' 69,088 cubic yards at 29 cents, \$20,035.52; total, \$59,766.02.

Q. Something was said on the last occasion about there being a resident engineer on the work for the last two years?—A. I think I replied to that before. There was a young man on only during the last year, 1912.

By Mr. Bennett (Simcoe):

Q. Do you know, as a matter of fact, whether this man, Irwin, was on the work?—A. Part of the time.

By Mr. Stewart:

Q. Was he not at Waubashene and Victoria?—A. He was at Victoria Harbour and Tiffin.

Q. Was there any resident engineer during 1911?—A. Only for a week. They had a young man there for one week.

Q. What was his name?—A. Mr. Sneath.

By Mr. Bennett:

Q. What was Sneath doing there?—A. He was acting as inspector.

Q. Why was he acting as inspector?—A. I understand the other three inspectors were suspended for this excavation below depth.

By Mr. Stewart:

Q. Will you describe the class of material at this harbour at Tiffin?—A. Well, I have seen quite a lot of it being dredged, and I never noticed where the dipper came up without being full.

Q. Well, what will you classify it as to whether there was silt?—A. I do not consider it was silt. It was what we called soft mud.

Q. What would you say would be a fair expansion factor?—A. I consider my expansion factor fair.

By Mr. Pringle:

Q. I dislike very much going over old ground, but let us get these figures settled again. According to your own statement in Victoria harbour there would be 219,929 yards that is if that percentage of 5.23 is correct of Class 'A' material. Then there would be of Class 'B' material——

Mr. STEWART.—Now, Mr. Pringle, do not go too fast.

The WITNESS.—I have it here, sir.

By Mr. Pringle:

Q. And Class 'B,' 2,952,024. Let us settle these estimated prices. As I understood the matter on the last day, and you put rock at \$2.50, and you put the average price of 'other material' at 19 cents?—A. You misunderstood that, Mr. Pringle.

Q. Well then, we will see whether I did or not. Let us take the average price of material outside of rock which you definitely fixed at \$2.50, did you not?—A. Yes.

Q. Let us take the average for the 'other material.'—A. That would average much less than 19 cents.

Q. Let us get it, whatever it is. You take for soft mud and clay 12 cents; you take for ordinary hardpan 30 cents; and for hardpan and boulders 45 cents. Now, what would be the average taking these three. Leave the rock out because we have that fixed.—A. That is 1,134,648 yards at 12 cents; 115,208 yards at 30 cents; and 155,880 yards at 45 cents; that is a total of 1,405,736 yards, and monies out at \$240,866.16.

Q. And the next one?—A. We have to get the average price of that, the average of the whole.

The CHAIRMAN.—17 cents.

By Mr. German:

Q. The quantities are 1,405,736 yards. Now, what is the average?—A. 17 cents and a fraction instead of 19.

By Mr. Pringle:

Q. For the purpose of my computation let us take Class 'A' material, 219,929 yards at \$2.50, and what do you make that?

Mr. GERMAN.—Where do you get those figures?

Mr. PRINGLE.—These are the figures of Class 'A' material with the exuansion factor added.

The WITNESS.—At \$2.50?

Mr. PRINGLE.—Yes.

The WITNESS.—\$549,825.

By Mr. Pringle:

Q. Let us take the quantity of earth. of 'other material,' 2,952,024 yards at 17 cents?—A. \$501,840.08.

Q. That makes \$1,051,665. and the actual money paid was \$936,247.50?—A. Yes.

Q. Assuming these figures to be correct and based on the proper percentage as to Class 'A' and Class 'B' according to your estimates as to prices, this work has been done for less than your price by \$115,418?—A. According to my prices on the first estimate.

Mr. GERMAN.—He has already said in Mr. Stewart's examination that on his prices they were overpaid very considerably.

Mr. PRINGLE.—I am taking up that question. They were not.

By Mr. German:

Q. Then let him explain?—A. I have not said that according to my prices they have been overpaid; I do not think I said that.

Mr. PRINGLE.—The position is Mr. Armstrong estimated that this work would cost so much, \$2.50 a yard for rock. At the last meeting he put the cost at 19 cents, and at this meeting 17 cents. On the basis of 17 cents, and assuming the engineers to have the right proportion as between rock and earth, then we have saved by our price \$115,000 to the country. We have done it for less than his estimate.

The CHAIRMAN.—Taking the prices at which you are taking it, how much more have you?

Mr. PRINGLE.—We have his figures as to that. I want to get his figures in regard to whether these contractors have got the prices that he estimated at the time.

The CHAIRMAN.—The question is: Are these gentlemen carrying out the contract they have got?

Mr. PRINGLE.—If the work had been done on the basis of his prices, then it would have cost, as he has given us, \$115,000 more than the amount we have received. That is what I want to clear up.

By Mr. Pringle:

Q. How long have you been connected with work in Midland Harbour?—A. I have no connection with work in Midland Harbour.

Q. Is the class of material in these different harbours very much the same?—A. I cannot answer that question because I have no connection with the dredging whatever in Midland Harbour.

Q. My reason for asking that is this, that during the previous Government's existence they paid 25 cents per cubic yard for excavating material in Midland Harbour.

Mr. STEWART.—What has to do with this contract—something that was paid for another harbour, at another time, and under different conditions. How can it throw any light upon this expenditure here?

Mr. BENNETT (Simcoe).—There may have been only a little dredging.

The CHAIRMAN.—I think we should confine ourselves to this question, how much earth they have estimated.

Mr. MACKENZIE.—Has he not a right to compare prices? Is not all knowledge by comparison?

The CHAIRMAN.—He would have the right if we are trying to find out whether the prices are fair and reasonable.

Mr. PRINGLE.—I am going to accept your ruling, that there is no effort on the part of this committee to contend that the prices obtained by the Canadian Dredge Co. are unreasonable prices.

Mr. STEWART.—Do not go off with that assumption. We want to find out whether or not there was fraud in connection with the tenders.

Mr. PRINGLE.—Well, Mr. Chairman, I have to take one horn of the dilemma or the other. Your ruling is that I cannot go into the comparison of prices paid for similar work throughout the Dominion of Canada.

The CHAIRMAN.—I did not say that. You have already given that evidence.

Mr. PRINGLE.—May I not deal with prices paid in almost the identical harbour, the Harbour of Midland, and I am told that that has no bearing.

Mr. CHAIRMAN.—How many years ago?

Mr. PRINGLE.—It makes no difference whether it was five, ten or twenty years ago. It is the same material.

Mr. BENNETT.—It is not the same material.

Mr. PRINGLE.—If you look at the Auditor General's report for 1903 you will find a contractor, Reid & Porter, working in Midland Harbour, and they were paid 25 cents.

Mr. GERMAN.—That would not make any difference. Contractors used to get almost double twenty years ago what they do now for the same kind of work. The dredges were smaller; it cost them a great deal more.

Mr. BENNETT (Simcoe).—That dredging was at a point where an elevator was built.

Mr. PRINGLE.—It was because our company had the best equipped dredge in Canada that we were able to do the work at such a low price.

Mr. GERMAN.—If contractors got to-day what they got years ago, they would be millionaires.

The CHAIRMAN.—There must be some reasonable time which these comparisons of prices shall cover.

Mr. PRINGLE.—I certainly thought there was some doubt—I am glad there is not—that the price paid us was excessive.

Mr. STEWART.—Do not run away with that.

Mr. PRINGLE.—Then I must compare the prices paid, and show that our prices are lower than the average prices that have been paid for the last ten or twelve years.

Mr. GERMAN.—Is it not outside the mark what the prices paid were so long as it is within the engineer's estimate and there is no collusion between the department and the contractors?

Mr. PRINGLE.—I absolutely agree with you in that respect. We have the engineer's figures in regard to Victoria Harbour. He estimates that it would cost 17 cents a yard; we have done it for 12½ cents, which is lower than the estimate. Now, we are coming to Tiffin Harbour. I do not know just what the estimate was for the cost of that. I thought it was only fair, as there was an insinuation, that these prices were unreasonable, that I should just clear that up by showing they were the lowest prices paid in twenty years.

The CHAIRMAN.—If the tenders were obtained in a perfectly legitimate way, we would have no right to go into these prices at all. But if the price has been obtained by fraud, one of the elements which would go to prove fraud would be the necessarily high price obtained in this contract, which has been obtained by suppressing opposition or competition.

Mr. PRINGLE.—To my mind, the evidence as produced shows beyond any question that there could have been no fraud because the prices are lower than the engineer's estimates.

The CHAIRMAN.—I will allow you to put in prices for the last six or seven years.

Mr. KYTE.—Do not go back when the Tories were in power.

Mr. PRINGLE.—There are some people that might be unreasonable enough to say: Oh, well, these prices were paid by the Liberal Government; and I thought it was only fair to take some prices paid by the Conservative Government.

The CHAIRMAN.—Mr. German has put it very fairly.

Mr. STEWART.—The reason we went into the prices was to show the peculiar system of tendering.

Mr. PRINGLE.—That will save all some bother in regard to that.

By Mr. Pringle:

Q. We will deal with this statement of yours. Do you make any provision in your statement for redredging certain areas?—A. No.

Q. You make no provision at all for redredging certain areas. Now, I suppose, Mr. Armstrong, if there was redredging of certain areas it would make quite an addition?—A. It would increase the quantity.

Q. It would increase the quantity, and consequently would not show the exact measurement that you have shown in this statement?—A. No.

Q. As I understand the position, you have simply taken the estimate of the material in situ and have assumed that that has been taken out without any redredging or going over the ground a second time, and you have based your figures on that?—A. I have.

Q. If it should turn out that a portion of that slip had to be gone over once, twice, and as often as three times, you would be all out here in so far as your figures are concerned?—A. What portion of it?

Q. We will come to the portion after. I am asking you, as an engineer, if it turned out that portions of this slip had to be gone over, would it change the figures?—A. It would.

Q. I find that, for instance, stations 32 to 40 were cleaned out five times, and under the directions of this department they had to be gone over.

Mr. BENNETT (Simcoe).—Where are stations 32 to 40, east or west?

Mr. PRINGLE.—This is in Victoria Harbour.

The WITNESS.—Oh, you are referring to Victoria Harbour now.

Mr. PRINGLE.—You do not know then, the exact portions of Victoria Harbour that had to be gone over this number of times?

Mr. BENNETT (Simcoe).—Where is the map of Victoria Harbour?

Mr. PRINGLE.—Here is the Government plan showing the stations, which was furnished to us. (Produces plan.)

By Mr. Pringle:

Q. I am advised that the area between stations 32 to 40 was cleaned five times; it filled above grade?—A. I do not see how that can be.

Q. I am not asking your opinion?—A. —In a rock excavation.

Q. We will finish up with Victoria, and I will pay no more attention to that. Can you tell us the estimated cost per yard in Tiffin Harbour, the engineer's estimate?—A. No, I have no estimate of that; Mr. Sing made that out.

Q. And you do not know what his figures are as to cost?—A. No.

Mr. MCKENZIE.—Mr. Pringle, what explanation is given to you of this refilling in where redredging was necessary?

Mr. PRINGLE.—I am going to bring the engineer to answer that. There were different causes. In Tiffin one of the causes was that the Grand Trunk railway had built their tracks very close to the harbour, which caused a pressure of soil, some of which worked into the harbour; and, of course, the Grand Trunk found their vessels grounding and that had to be gone over again. This company was ordered to go over it. And in Victoria Harbour, one of the chief difficulties was the difficulty that Mr. Armstrong has told us about, that outside of the lake there are tremendous quantities of silt and this works into the harbour, and consequently it had to be removed.

Mr. MCKENZIE.—There is no explanation to show that. I thought it was taken as a matter of course that because it was a rock cut there could be no silting.

The WITNESS.—I have taken the soundings over that same area for three years, and there is no difference in the depth now.

Mr. BENNETT (Simcoe).—And there is a concrete wall, and it is absolutely impossible for anything to get in.

By Mr. Pringle:

Q. Well, take Tiffin Harbour. You say that according to the estimate, that is taking the quantities as in situ and extending them and making your deductions, you arrive at a total of 674,729 cubic yards?—A. 674,789 cubic yards.

Q. Now, these returns as shown by the inspectors to the end of 1912 are 1,073,591 cubic yards?—A. Yes.

Q. Consequently, you make a difference of over-measurement of 61,626 cubic yards?—A. Yes.

Q. Now, if that work had to be gone over two or three times, would it not account for a difference of 61,000 yards?—A. Yes.

Q. No doubt about that. So that it all depends on whether the work was gone over by the Canadian Dredge Co. under the instructions of the Engineering Department of the Public Works or not?—A. Yes.

Q. And if so gone over you say it would account for this difference of 61,626 cubic yards.

Mr. BENNETT (Simcoe).—Mr. Armstrong, that would depend upon the quantity measured.

By Mr. Pringle:

Q. I have a little plan here, the plan supplied to the contractors of Tiffin Harbour, and I am informed, for instance, that this portion (indicating) 300 feet wide was gone over twice, and a similar piece of 150 feet wide had to be gone over a third time on account of the Grand Trunk railway placing filling for tracks which had worked in. The G.T.R. track goes right along that side of the harbour (indicating)?—A. They never put a track there at all. That stands the same way to-day as it did when the soundings were first taken. The track was placed here (indicating). This is the shore line.

Q. The track is right along the shore line; of course, it was not in the water?—A. The tracks were back of the shore line about 50 feet. The scale of that plan is 200 feet. The tracks were back here (indicating).

Mr. BENNETT (Simcoe).—It was all built by the Grand Trunk there before the dredging was ever done.

By Mr. Pringle:

Q. What is the percentage as shown by the actual returns of rock and of 'other material'?—A. At Tiffin.

Q. Yes, at Tiffin?—A. 15.92 per cent.

Q. How do you make that out. I make it 20 per cent. It seems to me that the class 'A', that is rock, is 219,000 yards and class 'B', 854,591 yards?—A. Then you want to deduct that 27,000 yards for excess dredging. That makes your division for the percentage.

Q. Leave the excess dredging off for a moment; what is the percentage there?—A. That is a different calculation.

Q. What is the percentage of class 'A'? I make it about 80 to 20?—A. Class 'A' 80 per cent. You want the percentage of rock?

Q. At the actual returns as made by the inspectors, what percentage of that is class 'A' and what class 'B'?

By the Chairman:

Q. That is about 80 to 20, pretty near?—A. That is right, 20 decimal.

Q. I make it 20.3?—A. Yes.

Mr. STEWART.—That is all the worse for you.

Mr. PRINGLE.—We will take it if it is all the worse.

By Mr. Pringle:

Q. Do you say there is an over-measurement of 61,626 yards in situ?—A. Increased by an expansion factor of 1.80 for class 'A' and 1.33 for class 'B.'

Q. Take 20 per cent off for rock and 80 per cent for 'other material,' and see how it works out. That, to my mind, is the fair way of taking it?—A. 20 per cent of 61,626 yards is 12,325 yards.

By Mr. Stewart:

Q. You have transposed the last three figures?—A. I should say 12,325 yards.

Q. Calculate it out in money?—A. As you increase the expansion factor you increase the amount overpaid.

Mr. PRINGLE.—On the other hand, it would give us, in working it out on the basis of the cost of this work, an increased price, taking 20 per cent rock instead of 15 per cent.

Mr. STEWART.—Your actual returns are based on that. This is excess dredging below depth.

By Mr. Pringle:

Q. Is that in Tiffin?—A. No, it was not rock. The material up there is class 'B.' They would not go below depth in rock.

Mr. STEWART.—It was all of the class 'B' material.

By Mr. Pringle:

Q. Then it would make it less. If the excess dredging of Mr. Sing was of class 'B' it would make this amount overpaid very much less?—A. Not according to this statement.

Q. Now, Mr. Armstrong, I do not know that I can take up very much time with you. You have very candidly admitted to us that the whole thing turns on whether they had to go over this work two or three times?—A. I have no knowledge of their doing that.

Q. But if they did it that would account for the excess quantity?—A. I have said that I have gone over this same ground three consecutive years and have found the soundings absolutely the same.

Q. In regard to that, when you came up to make your soundings, are you not aware that instructions had been given for them to get depth, and if they had to go over that they had to get the depth?—A. Yes, I had those instructions.

Q. Are you not aware that, after these instructions, they had to go over this ground two or three times?—A. Not to increase the scow measurement. I have no knowledge of that.

Q. I am not asking you that. I am asking you if, in order to make grade, they had to go over this work prior to your going up to make measurements, that would increase the quantities?—A. Yes.

By Mr. Stewart:

Q. That might be, Mr. Armstrong, because they have not in the first instance gone down to grade.—A. Certainly.

Q. You have already told the committee that you had an interview with Mr. Pratt both at Victoria Harbour and Tiffin, and he said nothing at that time about having to go over that work a second or third time?—A. He never mentioned it to me.

Q. Now, you say that the stations from 32 to 40 are where there was a rock cut?—A. A rock cut on both sides of the channel.

Q. Is this a place where there is any current or motion of water likely to carry in silt?—A. None whatever.

Q. Will you describe in a general way the character of this cutting or dredging work?—A. Beginning from the extreme outside?

Q. Yes. Take Tiffin, the one they are dealing with now.—A. At Tiffin the character of the material, what is termed class 'A,' rested flat in the dipper when it was brought up to the surface.

Q. You saw that?—A. Frequently. That was a soft material.

Q. Come along further where the excavation was deeper and the cut deeper.—A. That material there was harder, going in further.

Q. And as you have said there is no motion of water in there; it is a sheltered harbour.—A. You are referring to Tiffin now. I want to correct myself. There is a slight motion at Tiffin, but very little at Victoria Harbour.

By Mr. McKenzie:

Q. There is no tide there?—A. No tide.

Q. Would the motion of the water depend on the wind?—A. Simply on the rise and fall from the winds.

Q. Of course, the condition in the mouth of the harbour would depend on the strength and direction of the wind?—A. This harbour is not at right angles to the other at Tiffin; it is parallel.

By Mr. Stewart:

Q. Was there anything in your observation there to indicate there was any quantity of silt?—A. Not at Tiffin.

By Mr. Pringle:

Q. Do you know Meaford Harbour?—A. Yes.

Q. Are conditions at Meaford Harbour very similar to conditions at Midland?—A. In what respect?

Q. As to silt?—A. I think Midland Harbour material is more compact.

Q. Would there be as much silt?—A. None at all, not any.

Q. You remember Pigott, don't you?—A. Yes.

Q. And do you remember the investigation that took place and of his being allowed for silt at Meaford Harbour?—A. No.

The CHAIRMAN.—How many years ago was that?

Mr. PRINGLE.—I think it was in 1905 or 1906. The matter was made subject of investigation by the Auditor General. They claimed 15 cents for dredging some 3,000 yards and the Government allowed 13½ cents.

The WITNESS.—In that case, this silty material came down the river and deposited itself in the harbour.

By Mr. Pringle:

Q. At any rate, there was an allowance for silt in Meaford Harbour. Do you know what the recommendation of the Chief Engineer in this matter was in regard to this harbour that the measurement be scow measurement owing to the class of soil?—A. No, I have no knowledge of that.

Q. Take up Victoria Harbour, 'Would recommend work at Victoria Harbour being scow measurement on account of material being soft and in irregular patches.' What would you say as to irregular patches?—A. I found irregular patches on my first survey.

Q. Where there are these irregular patches it is an absolute impossibility to get at an estimate that would be absolutely correct, it is only an estimate, an approximate estimate of quantity?—A. That is all.

Q. And may vary very largely?—A. To be determined by the scow measurement afterwards.

Mr. BENNETT (Simcoe).—Whose report is that, Mr. Pringle?

Mr. PRINGLE.—It is Mr. Sing's report.

Mr. BENNETT (Simcoe).—Why do you want to keep Mr. Sing out of it.

Mr. PRINGLE.—I want Mr. Sing here; he was to be here to-day.

Mr. STEWART.—And you got an explanation why he is not here, on account of illness.

Mr. BENNETT (Simcoe).—I asked you, Mr. Pringle, who signed that report?

Mr. STEWART.—I do not see why Mr. Pringle should endeavour to bring Mr. Sing here to help him cross-examine other officers of the department.

Mr. GERMAN.—It is an inquisitorial matter.

Mr. PRINGLE.—Let us get the man who can give us information.

Witness discharged.

The CHAIRMAN.—On the 23rd of January last it was ordered that Jesse Allen be summoned to appear before the committee on Tuesday, the 4th February. Mr. Allen is here still, and we should either get his evidence and discharge him or let him come again.

Mr. STEWART.—The difficulty is that the books are not here.

Mr. ALLEN (Bookkeeper of Canadian Dredge Co.)—All the books I have are. I am here to give the evidence or to go home as the case may be. I want you to decide. It is up to the committee.

Mr. STEWART.—I was speaking to Mr. Pringle to-day trying to ascertain Mr. Grant's condition. Mr. Pringle says that he cannot get the books I want until he gets Mr. Grant, and the books that Mr. Allen has are of little service to this committee.

Mr. PRINGLE.—Mr. Allen is here, and can give all the evidence he will ever be able to give. He has the books of the company that is under investigation. So far as the old company is concerned there was a little set of books which will never be here from what I can learn.

Mr. STEWART.—What has become of them?

The CHAIRMAN.—We will have to have some one here to find out what has become of the books. Who knows what has become of them?

Mr. PRINGLE.—The old Canadian Dredge and Construction Co. has been out of existence for some time.

The CHAIRMAN.—Who knows what has become of their books?

Mr. PRINGLE.—The Lord only knows.

The CHAIRMAN.—Somebody must know. Do you know, Mr. Allen, what has become of their books?

Mr. ALLEN.—The last time I saw those books was a little better than two years ago.

The CHAIRMAN.—Whose possession did you leave them in?

Mr. ALLEN.—I just left them on the desk.

The CHAIRMAN.—Are you the bookkeeper that had charge of them?

Mr. ALLEN.—Yes, there was a ledger and a journal.

The CHAIRMAN.—They were last in your possession.

Mr. ALLEN.—I left them on the desk and what became of them I do not know.

Mr. PRINGLE.—We are making a diligent search for them.

Mr. STEWART.—Mr. Allen came down upon the suggestion of Mr. Pringle or Mr. White because he would know more about the books.

Mr. PRINGLE.—I think it was at Mr. Bennett's suggestion.

Mr. BENNETT (Simcoe).—I never suggested bringing Mr. Allen here.

Mr. PRINGLE.—You had better look at your motion.

Mr. McKENZIE.—I understand that the real point in this investigation is to show collusion in respect to these tenders.

The CHAIRMAN.—Collusion, and the amount of material taken out.

Mr. McKENZIE.—I understand that it was contended that the tenders were not genuine, that there was something wrong about them and that you proposed bringing that home to the department. Would these books of the old company be of any service?

The CHAIRMAN.—That is for the committee to say.

Mr. McKENZIE.—We ought to be able to get all the evidence to show collusion.

The CHAIRMAN.—Is there anything further you can do without the books, Mr. Stewart?

Mr. STEWART.—Nothing until we can get Mr. Grant. He is the man responsible for these tenders in his handwriting.

Mr. GERMAN.—Don't you want the books of the present company?

Mr. STEWART.—They are here, but they have been closed to us. We have been allowed to see the outside of them.

Mr. GERMAN.—That is all quite wrong. These books were brought here and you and Mr. Pringle were to go through them with Mr. Allen and find what was relevant to this inquiry; or a special committee was to be appointed.

Mr. STEWART.—Mr. Pringle and I met for that purpose, but there was an entire change of attitude. Mr. White repudiated the arrangement Mr. Pringle made and would not carry it out.

Mr. GERMAN.—You wanted to go into the dividends and salaries.

The CHAIRMAN.—What stand do you take now, Mr. Pringle, as to the right of this committee to have access to those books?

Mr. PRINGLE.—I take the position as laid down in the Connolly case. If you want to appoint a sub-committee to go into the books and see what was relevant, we are quite agreeable to that course. I am sorry that there should be any misunderstanding between Mr. Stewart and myself, because we have been endeavouring to be fair with each other. When we got these books opened up and placed on the table, Mr. Stewart desired to go into matters that my clients considered were absolutely private matters, and they objected to going into those matters until we got a ruling, either through the sub-committee or through the chairman, as to what was relevant. We threw all the other matters, the books showing the returns, the measurements and prices on the table, but we did not want to disclose how much stock this man had, or how much the other man had. That is all filed in the departments anyway. I proposed going a little farther than I should have. I said I am quite willing to show these dividends for the last three years, but they wanted to go away back, years ago, to some other company which I did not know anything about.

The CHAIRMAN.—The attitude taken by Mr. Connolly was this: he brought his books here in a trunk, and the committee requested him to leave them on the table, in the possession of the clerk. He refused to do that; but he said he was willing to turn up any entry in the books.

Mr. GERMAN.—Not any entry. Mr. Martin was delegated by the committee to point out to the sub-committee what was relevant. Sir John Thompson decided what was to be relevant. He held in his speech that private matters could not be gone into. Mr. Martin was asked to point out to the sub-committee what on the basis of Sir John Thompson's statement, was relevant to that inquiry. And all the rest of us sat back.

The CHAIRMAN.—What Sir John Thompson ruled was this: that he was quite sure that the committee would exercise their own discretion in not going into anything private but that he must lay the books on the table for the sub-committee to go through and find what is relevant. The books of this company, as I understand, contain nothing except government business.

Mr. PRINGLE.—Except their private business as a company.

The CHAIRMAN.—The whole operation of the company, I understand, is dredging for the government. That is a very much different position than in the Connolly case.

Mr. GERMAN.—Would you go the length of holding that this company was bound to exhibit to this committee, or a special committee, what dividends they were paying, what salaries, and matters of that kind?

The CHAIRMAN.—I would hold that they must produce their books for the full inspection of this committee. Then to appoint a sub-committee to see what matters they should go into.

Mr. STEWART.—With regard to the production of the books, there is one item that we wish to investigate and that is the dealing between the Owen Sound Company and the Canadian Dredge and Construction Company, and these books here do not contain any entries with reference to that at all.

Mr. GERMAN.—But the books ordered to be produced are here, and Mr. Allen is here. What is it that you want to see from the books that are here?

Mr. STEWART.—I ask for certain amounts as travelling expenses.

Mr. GERMAN.—What have we to do with travelling expenses?

Mr. STEWART.—In connection with the appointment of inspectors.

Mr. BENNETT (Simcoe).—To show that on certain dates certain inspectors were appointed. Mr. Stewart says there is nothing on the files to show when inspectors were appointed. He has tried to find out who it was that recommended these inspectors.

Mr. GERMAN.—Mr. White is president of the Liberal Reform Association, would he not be the proper one to recommend? You recommend yourself, I suppose.

Mr. BENNETT (Simcoe).—The candidate was not consulted.

The CHAIRMAN.—Do you want the committee to adjourn?

Mr. STEWART.—Yes, until we can get Mr. Grant, that is if he can come within the next two or three weeks. If not, then I want to go on with some other evidence. I have been speaking to Mr. Pringle. I cannot be here the week after next myself. Mr. Grant may be able to come within three weeks.

Mr. ALLEN (Bookkeeper).—It will be at least six weeks before Mr. Grant is able to come.

Mr. STEWART.—We will not ask the committee to adjourn that long. We will ask the committee to adjourn for three weeks.

Mr. MCKENZIE.—What further witnesses do you call?

Mr. STEWART.—I am only acting on instructions and my instructions are general. The witnesses I shall call will be along the line of corroborating an excessive payment. The dredging company should be called upon to refund it or a portion of it.

Mr. PRINGLE.—I just wish to put our position right here. We complied with the subpoena. We have brought here and have laid on the table of this committee our books of account of the Canadian Dredging Company.

Mr. BENNETT (Simcoe).—The books have never been shown before the committee.

Mr. PRINGLE.—The trunk with the books is here. In so far as the investigation of these books is concerned, I am perfectly satisfied to let the chairman of this committee stand in the position of a judge in a civil action. We know that a judge in a civil action will take a book and look at it, and if he thinks an entry is relevant he permits it to be admitted, and he declines to do so when it is relevant to the issue. Or are we willing to do this: To let a sub-committee be appointed and let that sub-committee be governed by the same procedure as in the Connolly case. Now, what Sir John Thompson said is this:

‘I hope the House will do the committee the justice of believing in advance that the objectionable kind of examination to which the witness takes exception—examination into matters not necessarily involved in this inquiry—will not be gone into by the committee. If the witness were brought before a court of justice and produced these books, the first duty of the court would be to see that no irrelevant, impertinent inquiry into the books would be allowed; but the witness must not be allowed to decide that question for himself, because, in that case, he could close and seal from the eye of the tribunal any passage he did not wish to disclose.’

I am quite willing to submit ourselves absolutely to this committee and come within the rules. I am quite willing to take these books and let the Chairman or a sub-committee go into every entry and even to let them say what entries they consider are relevant and pertinent, and these will be produced. This is a fair and reasonable position to take.

Mr. STEWART.—That, as we all know, is very general and very indefinite and does not help us very much in any specific case. The Connolly books, I take it, contained entries with other parties, and relating to other matters than those in which the Government of the day or the Dominion of Canada could possibly be interested, and the remarks were applicable to those, but this is a Company organized for the purpose of

dredging and entering into contracts with the Government. It is not suggested that there are any other entries in the books that relate to any other class of work. Now, Mr. Pringle voluntarily stated that the dividends were 10 per cent. That all depends upon what the capital was, and might be very much more on a proper investigation. And it would all go to show excessive payment to a firm of this kind, a contracting firm, if we show enormous profits.

Mr. GERMAN.—Not at all.

Mr. KYTE.—What have we to do with the price!—There are corporations that are earning 25 per cent.

Mr. STEWART.—Well, assume that they deal with the Dominion of Canada, and put in collusive tenders.

Mr. KYTE.—Then prove it. Why drag in extraneous matters that have nothing whatever to do with it! Was the statement of the engineer to-day to the effect that the contractors are overpaid?

Mr. STEWART.—They do not contend that.

Mr. GERMAN.—You have the prices, they are set out in the contracts. If you want to prove that these prices are excessive, call other contractors; they would be the best witnesses.

The CHAIRMAN.—Here is what Sir John Thompson said:

‘The position he (the witness) took was this (I, of course, paraphrase his words): He said: ‘I am totally unacquainted with these books; I never made an entry in them, and have never examined them. I am willing to hold them in my hands and turn up any entry which the members of the committee may specify.’ The House will see at once that no member of the committee had had any access to these books or knew a single line in them; and the witness, who did not know what was in the books, because he had not examined them or made any entries in them, was to keep possession of them and turn up any entry he might be called on to refer to by persons who had never seen anything but the cover of the books. Of course that was quite equivalent to his refusing to produce the books at all.’

The motion itself was this:—

“.....and having hereupon appeared before said committee, with certain books of account which have been identified and marked by the clerk of the said committee, as indicated in the report of the committee to this House, and having refused to place the said books of account under the control of the committee or to permit the committee to examine them for the purpose of conducting the investigation which the committee were ordered to conduct by the Order of the House on the 11th May last:

This House doth now Order that the said books of account be now produced by the said Michael Connolly and delivered to the clerk of this House.’

And they were delivered to the Clerk of the House.

Mr. GERMAN.—Subject entirely to the control of the special committee.

The CHAIRMAN.—These books have to be produced here and left open to the inspection of this committee. It is our business to say what we shall do with them. I am bound to say that the books must be produced here.

Mr. PRINGLE.—The books are produced here and if you want the key of the trunk we will give it to the clerk or to yourself, Mr. Chairman, but we are not going to give it to Mr. Stewart or Mr. Bennett.

Mr. BENNETT (Simcoe).—I do not want the key.

Mr. PRINGLE.—If you want to examine these books as to what is relevant you can examine them. This is a very peculiar inquiry; it is not at all like the Connolly inquiry. There were certain specific charges. Have we got this gentleman down to any specific charge as against the Canadian Dredging Company? They say there was collusion. But when they produce their records we find we were in competition with men like Weddell and Randolph Macdonald.

The CHAIRMAN.—There had to be a specific charge in the Connolly case because that was before the Committee on Privileges and Election.

Mr. PRINGLE.—That is all the more reason why there should be that protection thrown around the contractors. My learned friend says these entries all belong to the Government. It is true we have the Government account, but we have also our private accounts in these books, and it will be for you to say whether these shall be shown or not.

Mr. STEWART.—With reference to the suggestion of Mr. German that we call other contractors as to the prices being reasonable, that would hardly be feasible. There is another element in this case and that is the excessive measurement, and no contractor would know anything about that. A contractor, without knowing the conditions up there, would not be able to give us very much information as to the prices. It looks as if the Dominion had been defrauded in the matter of scow measurement.

Mr. GERMAN.—Then prove it.

Mr. STEWART.—We have been proving it here day after day. Then, we can help to back this up by the books of the company.

Mr. KYTE.—The books are here.

Mr. BENNETT (Simcoe).—Mr. Pringle says the books cannot be found.

Mr. KYTE.—Let us proceed with the books we have here.

Mr. STEWART.—They have been closed to us so far.

Mr. MCKENZIE.—I do not quite go so far as you, Mr. Chairman. I do not think that this committee is in any stronger position than the Supreme Court would be under a subpoena duces tecum. When a man who has control of the books is under a subpoena duces tecum from the Supreme Court of Ontario, he would come into court in response to that subpoena, which would call upon him to attend in the court and tell him the particular books that he would have to bring and the specific items that the court wanted to see. I am not aware of these books ever being touched by the court until the witness was summoned and until it was ascertained what was in the books that was relevant to the issue. Then the court would order that they should remain in the possession of the officers of the court. But never did I hear of any court taking charge of the books until they had decided that there was something in them that was admissible. That procedure is perfectly fair to answer the real germ of the case, and Mr. Stewart must decide what is in those books, and they cannot come in evidence before.

Mr. STEWART.—Mr. Pringle offers to go further than that. He offers to open the books.

Mr. GERMAN.—You say we must have the books here. We have the books here. Can these be used? If they can, let us use them.

The CHAIRMAN.—Then, let us adjourn for two weeks, and perhaps Mr. Grant will be able to come then.

Mr. BENNETT (Simcoe).—I move we adjourn sine die.

Mr. PRINGLE.—I think, Mr. Chairman, we could dispel this little cloud that has appeared over the question of this quantity by having Mr. Sing here, and I am quite willing to take Mr. Sing in the interim. I am quite willing to have Mr. Sing come down in three weeks' time and come before this committee and let us have something to proceed on. I ask for a day to be fixed for Mr. Sing's examination, because Mr. Sing is the engineer in charge and is responsible for all these returns.

The CHAIRMAN.—He is in the hospital, sick.

Mr. PRINGLE.—A little later on, we are bringing all of these inspectors, and the engineer of the dredge.

Mr. GERMAN.—Have them here a week from to-day.

Mr. PRINGLE.—It is not convenient to Mr. Stewart. Then leave it sine die. What about these books, will Mr. Allen take them home?

The CHAIRMAN.—I guess it will be all right to take them home with him on the understanding that he will come back if necessary with the books.

Committee adjourned.

EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

DREDGING IN MIDLAND, TIFFIN AND VICTORIA HARBOURS

No. 7---MAY 15 and 16, 1913



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1913

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

COMMITTEE ROOM, No. 101,

THURSDAY, May 15, 1913.

The Select Standing Committee on Public Accounts met at eleven a.m., the Chairman, Mr. Middlebro presiding.

Mr. R. A. PRINGLE, K.C.—Mr. Sing is here, Mr. Chairman, but I regret to say that he has had no opportunity of going over Mr. Armstrong's evidence, and until he has had the opportunity of doing so his examination would be most unsatisfactory. He is prepared, if the Committee so desires, to give general evidence with reference to the work that has been done at Tiffin and Victoria Harbours, and is prepared to state that the work has all been done according to contract and that so far as he knows there has been no over-payment or over-measurement. That, however, will not be satisfactory, it will be necessary to go into the details of Mr. Armstrong's statement and that he cannot do until he has had an opportunity of going into the evidence in detail.

The CHAIRMAN.—Did Mr. Sing know anything about this meeting to-day?—A. Not until Mr. Lafleur notified him last night.

Mr. SING.—The first I learned of this meeting was last night.

Mr. PRINGLE.—I am partly responsible for that. I had arranged that at the earliest possible moment Mr. Sing should be brought before the Committee, and his examination was fixed for the last meeting, but Mr. Sing was, unfortunately, unable to attend, and I had no idea he would be able to attend to-day. A few days ago I was in the Department and asked Mr. Lafleur to let me know the moment he heard Mr. Sing was able to come to Ottawa because I wanted to examine him, and last evening about 10 o'clock, Mr. Lafleur told me that he had just been speaking to Mr. Sing over the telephone and he was in a position to be present to-day. Mr. Grant who was to be examined to-day I had learned would not be able to be present, and I immediately tried to get into telephone communication with Mr. Stewart, but he had left for Ottawa.

The CHAIRMAN.—The Committee adjourned to meet to-day expressly to hear Mr. Grant, why is he not here?

Mr. R. A. PRINGLE.—Because he is not able to be here. I have a letter from Dr. H. R. McGill, of Midland, Ontario, as follows:—

May 12th, 1913.

“W. S. MIDDLEBRO, Esq., M.P.,
Ottawa.

DEAR SIR,—I have been medical attendant on Mr. F. W. Grant since March. He had a serious operation followed by phlebitis, which necessitated absolute rest for a long period.

He is now only able to attend to part of his office work, being driven to and from his residence. He attempted to walk two blocks the latter part of last week, and as a result had to lie in bed for two days.

In view of what I have stated I consider that a trip as far as Ottawa would be out of the question and I think he may consider himself fortunate if able to take a journey of that distance in four or five weeks, and if compelled to go now he will have to go to bed on his arrival. If there is a physician on your Committee he will readily understand the condition of my patient.

Respectfully yours,

(Sgd.) • H. R. MCGILL, M.D.'

Then I also had a letter which accompanied this medical certificate in which Mr. Grant says:—

May 12th, 1913.

Mr. R. A. PRINGLE, K.C.,

Ottawa, Ont.

DEAR Mr. PRINGLE,—I have received a message from the Public Accounts Committee to attend on Thursday. I had previously written to the Chairman stating that I thought I would be able to go at the end of the month.'

The CHAIRMAN.—That is the letter I produced at the last meeting.

Mr. PRINGLE continues reading:

'since that time I have tried to walk a block or so, and overdid myself, and was laid up for a couple of days, so that I have come to the conclusion that I cannot afford to take any chances.

I have spoken to Dr. McGill and he has written the enclosed letter which I would like to lay before the Committee. I regret having to disappoint them but I do not want to take the risk of being laid up for several weeks more by over-exerting myself, and the doctor assures me that if I undertook a journey as far as Ottawa at the present time that I would be laid up there.

I can assure you that as soon as it is reasonably safe for me to go, I will do so, but judging from the recent attempt I made, I cannot expect to go within the time the doctor states.

Yours very truly,

(Sgd.) F. W. GRANT.'

That letter is addressed to me and encloses the letter addressed to you which I read first. Possibly both of them had better go on the record.

The CHAIRMAN.—This is the first I have heard of that letter.

Mr. PRINGLE.—I have only just received it; it was sent by special delivery.

Mr. STEWART, K.C.—Mr. Chairman, with reference to any general statement made by Mr. Sing, as suggested by Mr. Pringle, I do not think it would help the Committee because, as you understand, this is a technical matter that has been presented to the Committee by us and is one which requires accurate and careful calculation, and until Mr. Sing has had an opportunity of making those calculations and checking them up any general statement he might make would not be of any value whatever.

The CHAIRMAN.—All I know about this matter is that last night about ten o'clock Mr. Lafleur came to me and wanted to know whether Mr. Sing was to be examined this morning, and, knowing that Mr. Sing had been notified to attend at a previous meeting but had been unable to be present I replied to Mr. Lafleur, 'Yes, if he is well enough to attend.' And I told Mr. Lafleur he had better telephone to Mr. Sing. I do not know whether Mr. Sing is prepared to be examined now or not or whether he has gone over the evidence given before this Committee in reference to this matter.

Mr. SING.—I have not.

The CHAIRMAN.—If neither party wants to examine Mr. Sing this morning there is no use calling him.

Mr. STEWART.—I would not examine Mr. Sing except after Mr. Pringle, at whose instance he is called, has completed his examination.

Mr. PRINGLE.—Is there any possibility of Mr. Sing going over this evidence? Possibly Mr. Armstrong and he could go over it together. I do not think two men are going to disagree very much when they get through.

The CHAIRMAN.—Perhaps that will be the best way. When shall we meet again, to-morrow?

Mr. STEWART.—I have made some other engagements for to-morrow but I will try to meet the convenience of the Committee and will do some telephoning for that purpose.

The CHAIRMAN.—Then the Committee will stand adjourned until to-morrow at eleven o'clock.

Committee adjourned.

HOUSE OF COMMONS.

COMMITTEE ROOM No. 101,

FRIDAY, May 16, 1913.

The Select Standnig Committee on Public Accounts met this day at 11 o'clock, a. m., the Chairman, Mr. Middlebro, presiding.

The Committee proceeded to the further consideration of a payment of \$255,509.41 in connection with dredging at Tiffin, Ontario, and Victoria Harbour, Ontario, as set out at page V—36 Report of Auditor General for year ended March 31, 1912.

Mr. J.G. SING, called, sworn and examined.

By Mr. Pringle:

Q. You are District Engineer, resident at Toronto for the district in which Midland and Tiffin are located?—A. I was, up to 25th March.

Q. How long had you been in charge of Public Works in your district?—A. Since June 1905, I think it was on the death of Major Gray.

Q. You had charge of the work at Tiffin and Victoria Harbours?—A. Yes, sir; they are in my district.

Q. Mr. Armstrong has given us some figures in regard to Victoria Harbour. Armstrong gives his estimated quantities in situ 26 feet below plane 580, 2,370,400 yards.

Mr. STEWART.—What page, Mr. Pringle?

Mr. PRINGLE.—That is in your statement handed to us.

By Mr. Pringle:

Q. He deducts for dredgnig yet to be done 60,000 yards leaving in situ 2,310,400 yards. Would you give us the correct estimated quantities that were estimated by the Engineering Department for this work?—A. Well, the records in my office, and which were sent to Ottawa in 1908 for Victoria Harbour dredged to a depth of 22 feet, are 1,157,400 yards.

Q. When it was decided to increase the depth to 25 feet in 1911, can you give me the estimated quantity for the extra work?—A. Yes, 1,058,336.

Q. Is it 336 or 366?—A. 336, I have.

Q. Did that include the work for the crib seats?—A. Yes.

Q. What was the estimated quantity for crib seats?—A. About 300,000 yards.

Q. Then you agree on Section 2 with Mr. Armstrong's figures; that would be for extension of slip including crib seats, 415,400 yards?—A. Yes, Mr. Armstrong made an estimate for the slips of 315,000 yards and for crib seats of 100,000 yards, making 415,400. That is right.

Q. Now, Section 3, north end of elevator, the estimated quantity was 55,000 yards?—A. Yes, I think I made that myself. I think that is my own. However, it came from the office, I am responsible for it

Q. Your total estimate was 2,686,166 yards?—A. Yes.

Mr. BENNETT (*East Simcoe*).—That included everything?

Mr. PRINGLE.—Yes.

By Mr. Pringle:

Q. Mr. Armstrong's estimate was 2,370,400 yards?—A. Yes.

Q. Making difference of 315,766 yards?—A. Yes.

Q. Now, increasing this to scow measurement, this would make 3,571,166 yards?—A. Yes.

Q. Returned by inspectors 3,349,152 yards, leaving yet to be done 142,014 yards?—A. Yes.

Q. Is that correct so far as you know?—A. Yes, that is correct as near as I can estimate. These are the estimates the Department has been working on all along.

Q. And these are the estimates on file?—A. In the Department, I expect they are.

Q. Well, I notice that Mr. Armstrong's figures and yours agree in many respects. There seems to be a difference in regard to these crib seats. You are allowing 300,000 yards for the crib seats?—A. Yes.

Q. And that is where the large difference apparently comes in?—A. The disagreement is in the first two items. He prepared that estimate as a check in the office quite recently. That 1,700,000 as he gives here in his evidence and as we discussed yesterday, we talked this thing over together, and he allowed 200,000. Now I do not know how he gets at that 200,000 at all, because the engineer that furnished the information on which the estimate was prepared, the whole ground was cross-sectioned as well as the crib seats. We allowed for slope, of course, and a certain amount of running-in, with a liberal estimate. The whole difference is just in that item, and I think he has not allowed enough. I am sure he has not. That is where the difference is.

Q. You had charge, you say, of this work during the whole of the work practically?—A. Yes, Victoria Harbour that is.

Q. And had a close check kept upon the work of the contractors?—A. Yes, there were inspectors; I sent out engineers. I visited the work a number of times myself, several times during the season. I never saw anything of an irregular character.

Q. Do the figures show that there was anything of an irregular character?—A. I do not think so.

Q. Was the work in your opinion well done?—A. Well done so far as it goes. It is not completed. I would not certify the work to be completed, of course, but the work has been satisfactorily carried out as far as it has progressed.

Q. Do you know of any body of contractors that have got any better plant than these people have for doing the work?—A. Not in Ontario.

Q. They are well equipped for that work?—A. Certainly. They are well equipped for this work.

Q. And the work, you say, was done to your complete satisfaction?—A. As far as it has gone. They did as they were told.

Q. And the returns do not show in your opinion any excess measurement or irregularity of any kind?—A. They do not show it according to the estimates and the amounts that have been taken out.

Q. Are you able to go as clearly into Tiffin Harbour as into Victoria Harbour at present?—A. Not this morning. I have not been in the office for some time. The work at Tiffin is entirely different from the work at Victoria. There was a better system adopted in connection with this, and estimates given of the total work as I have given you this morning. There was no regular plan made of Tiffin until after Coste and Butler had visited there, and suggested that it should be a national port. Then they recommended a plan and that plan was adopted. What was done before and since that plan was adopted I am not able to say unless I had access to the office, but I think we are safe there.

Q. And is the most of the work yet done in Tiffin Harbour? Was it done to your satisfaction?—A. In Tiffin, yes. It is not complete. There are two spots above grade which are rock which they should remove to get down to 25 feet below.

Q. Tell me this, Mr. Sing, had any of the work in either of these harbours to be gone over a second or third time?—A. Yes, in the approaches at Tiffin. It is a soft material, and when they dredged and threw up the bank the fall gales and the spring gales washed back the material, and we found on sounding when starting work that it was not down to grade. I think they went over some of that a couple of times, perhaps two or three times.

Q. In Armstrong's evidence he did not take any of that into account?—A. I do not know, I am sure.

Q. That would make a difference?—A. It would add to it, certainly.

Q. In so far as the supervision of the work was concerned and the checking of the contractors, you would say that was carefully and well done.—A. I think so. There were inspectors sent out. There were men sent there that I knew nothing about and watched them. I learned that since. A man came to my office once or twice. Inspectors went there. I called them detectives. I did not know what they were. They were watched. The contractors did not know when they were coming.

Q. In your opinion every safeguard was taken to see that the work was properly done, and no improper measurement?—A. I think the Department did the best they could in that connection.

Q. And the estimates bear out that there were no irregularities?—A. Yes, I think so.

Q. I am not going into Tiffin if you are not prepared to say as definitely regarding that work?—A. I would rather not, because as I told you it is more intricate, and I had more to do with this myself than any of my assistants. Mr Armstrong made a number of surveys there, but he only had to do with one or two estimates. When they were building the Aberdeen and the Grand Trunk Railway elevator, it was a new style of construction, and I watched it very closely, and there were concrete wharfs built—they are right in my line.

Q. Tell me this: in Tiffin they only deducted 42,000 for that Aberdeen elevator. Is that the quantity, 42,000 yards?—A. The estimate for that was 175,000 yards. That estimate was made by Mr. Kerry, the Grand Trunk Engineer. I told him to make it much larger.

Q. In Mr. Armstrong's statement he takes out for dredging in front of Aberdeen elevator in 1907.—

Mr. STEWART.—That is on a report of Mr. Sing's?

The WITNESS.—That is the only report, that is the last, the winding up of that work in front of the Aberdeen elevator. The estimate was 175,000 yards in situ.

Mr PRINGLE.—That is all I am going to ask you, Mr. Sing.

By Mr. Stewart:

Q. Mr. Sing, you say you have been responsible for this work, and Mr. Armstrong had nothing to do with it except the making of some surveys?—A. I was talking of Tiffin, not Victoria Harbour. He made all the surveys there except one or two.

Q. Beyond making the surveys and reporting on these surveys, he had no further responsibility with it?—A. Oh, I would not say that.

Q. What further responsibility had he in connection with it?—A. He was responsible for the survey, and he had a great deal to do with the estimates; made some of the estimates.

Q. Apart from that, he had no responsibility with regard to carrying out of the work; that was your affair?—A. No, I do not think Mr. Armstrong was there. He was there during the summer occasionally, but I would not say that he had the responsibility; I had all the responsibility.

By Mr. Bennett (East Simcoe):

Q. Armstrong was there during the summer months?—A. Occasionally.

By Mr. Stewart:

Q. The responsibility was yours?—A. I certainly had to assume the responsibility for all the work in the district.

Q. You naturally are anxious to show that you have carried out your part properly?—A. Yes.

By Mr. Bennett (East Simcoe):

Q. Where are these figures of Mr. Armstrong's? I want to get these two figures together.—A. Here is a statement, Mr. Bennett. (Handing Document).

Q. Now then you know of nothing irregular in connection with this work at any time?—A. I do not; that is any serious irregularity; I do not know of anything.

Q. You do not know of anything irregular?—A. Except as to going below depth.

Q. Take that one thing now, the going below depth. Have you taken that into consideration in the figures you have given the Committee to-day?—A. Yes.

Q. How much have you allowed for going below depth?—A. I have given an estimate which is actually accurate.

Q. How much did you allow?—A. 34,000 cubic yards at Victoria Harbour and something the same in Tiffin.

Q. Where have you made any allowance for it in the figures you have given here to-day?—A. This is the estimate without that.

Q. You have made no allowance for that in the figures given in your statement to-day?—A. Because that went below that you would have to add that on.

By Mr. Bennett (East Simcoe):

Q. I heard Mr. Sing state that 1,567,400 yards were required for the 22 feet and then 1,058,366 to increase the depth to 25 feet. I want to know whose estimate that is, because in the next breadth he says that Mr. Armstrong made that estimate.—A. Well, I understand that—I thought that Mr. Armstrong made that estimate, he says he didn't but it was my opinion that he did make that last estimate.

By Mr. Stewart:

Q. Now then in these details you have taken into consideration this dredging below depth. You have deducted that?—A. No, you would have to add that to the figures.

Q. You would have to take it off the other or add it to yours?—A. Add it to my estimate, yes. It was I that deducted it anyway.

By Mr. Bennett (East Simcoe):

Q. Those two figures that are given 1,200,000 yards and 2,215,736 yards, let us understand it. Does Mr. Sing swear he made the estimate, that that is the exact quantity, or does he say that he thought these were Mr. Armstrong's figures?—A. No. I

thought he made the last estimate, he did not make the first one because he was not there in May, 1907.

Q. Let us see who did make those figures?—A. It does not make any difference who made them. I take the responsibility; they were made in the office and I signed them and sent them to the Department; that is all there is to that. I do not know who made them.

By Mr. Stewart.

Q. You have not yourself been over this ground and taken soundings?—A. Yes, I have, I was the first engineer ever on the place and I was there the second one too.

Q. When was it you were there?—A. Away back in 1906 or 1907 when the matter was talked of by the Government as any other work would be.

Q. Was it on the inside of the Island the work was to be done?—A. It was on both sides of the Island it was on the East side and on the West side.

Q. Where are your figures for this work?—A. They are in the office in Toronto.

Q. Did you know you were going to give evidence here to-day?—A. Yes, I expected I would.

Q. You were here yesterday?—A. Yes.

Q. But you have not taken any steps to verify these figures?—A. I haven't been in Toronto at all; I have been here all night; how could I.

Q. Mr. Armstrong went there in 1907 and made a survey and soundings didn't he?—A. Yes.

Q. And he made a plan?—A. Yes, in 1908; I think it was 1908.

Q. And he has made his figures from that plan and from those soundings?—A. Not at all; he did it just before this investigation started, after the work was nearly completed.

Q. Didn't he make those figures from that plan and soundings— Answer the question?—A. Yes, he did.

Q. And he should be accurate in that, shouldn't he?—A. He should be——

Q. He should be?—A. But he is not.

Q. How do you know?—A. By the previous estimates, from my own estimates.

Q. Have you checked up those soundings and the plans to see whether it is correct?—A. I am going exactly by the estimates that have been furnished and gone over; I am not sure by whom, but they were gone over in the office, in connection with the work.

Q. But these were only estimates, were they not?—A. And what is this?

Q. This is a calculation?—A. How could he make a calculation when he did not make the estimate?

Q. In the first place you are not sure there was no careful calculation made upon which these figures which you now mention were arrived at?—A. They are made according to the survey and plans which are now on file.

Q. Who made them?—A. Which engineer?

Q. Yes—— A. I could not tell you.

Q. Did you make them yourself?—A. I went over them and checked them up.

Q. Who made that survey?—A. I could not say for the moment. Mr. McGiverin might have made them or Mr. Ruddick.

Q. Where are the plans?—A. In the office and of course in the Department.

Q. Since this investigation started have you checked up these figures of Mr. Armstrong from the plans and the soundings?—A. No, I have not.

Q. Then how can you swear they are incorrect?—A. I believe them to be according to the previous estimates.

Q. Only because of the previous estimates which were put in?—A. That is all.

Q. You do not know who made those estimates?—A. I am not sure.

Q. Or upon what information they were based?—A. Upon the soundings and plans.

Q. How do you know that?—A. Because we could not possibly make them any other way.

Q. When you were putting in these estimates it was only approximate quantities were required, was it not?—A. They call them approximate and I will guarantee Mr. Armstrong will not swear his are absolutely correct.

Q. At that time only approximate quantities were wanted?—A. They were made out approximately.

Q. No one could say they are accurate?—A. All right.

Q. Now then what expansion factor would you say would be fair to allow in material class B such as you found up there?—A. Thirty-three and one-third per cent.

Q. You think that would be fair?

By Mr. Bennett (East Simcoe):

Q. Before the work was commenced upon whose plan was it done? Was it upon the survey made by Mr. Armstrong or was it done upon the survey by this unknown party you speak of? Let us understand where we are at.—A. I think it was Mr. Armstrong made the survey although he seems to think he did not, I wont swear that he did; it is a good many years ago and I wont swear which engineer it was did the work; I can't do it.

Q. It was Mr. Armstrong made the plan?—A. I think it was but he says he does not think he did; however I can't say for sure.

By Mr. Stewart:

Q. He took the soundings later on?—A. He took the soundings pretty nearly every spring.

Q. For the purpose of ascertaining the amount of work done and what remained to be performed?—A. Yes.

Q. You do not know what other engineer has done that work?—A. I think Mr. Kent has made one survey there.

Q. That is the only one?—A. Yes, I think so.

Q. Mr. Armstrong has been there more than any other man you know?—A. He went the under my direction.

Q. And he should be more competent to make a personal statement than any other engineer you know?—A. It is a matter of calculation, not of an engineer's opinion.

Q. You agree with his computation of quantities?—A. In this last one?

Q. In Victoria Harbour. I mean these figures he has put before the Committee?—A. I think they are altogether too low because his estimate for the original work is 1,410,000 yards.

Q. For what?—A. For the 22 feet depth, and then he only allowed, as he said yesterday, that only leaves 270,000 yards to go the extra depth. I can't accept that; no engineer could accept it.

Q. What would be the true amount of the extra depth?—A. I will go a good deal farther than that and will say—

Q. Can you not figure that out?—A. No, I have not any plan before me and I would want the cross-section.

Q. Mr. Armstrong had all that?—A. I beg pardon, I know he did not.

Q. Why would he want the cross-section?—A. To get the extra depth.

Q. He would not need to have it for that?—A. Yes he would.

Q. To get the extra depth?—A. Yes and he would want to go over it very carefully too.

Q. If you were right in regard to the first 22 feet depth would it not be an easy matter to get the extra four feet?—A. If you have all the information before you.

Q. What information do you mean?—A. He has not done it; what he did was done in my office at my request. I asked him because as I told him that very likely

he or I would be called upon to give evidence before the Public Accounts Committee to check over the figures.

By Mr. Bennett (East Simcoe):

Q. When did this conversation you speak of happen?—A. It was just before this investigation started; just a day or two before.

By Mr. Stewart:

Q. Then he had that possibility in view when making the calculation?—A. I told him at that time to check it over, and the next thing I knew he was giving evidence on the calculation he had made.

Q. You have not checked it over since?—A. No, I have not.

Q. You have taken the original estimates?—A. I am comparing this as I told you before with the previous estimates.

Q. And with the previous estimates only?—A. Which I believe to be correct.

Q. Whose estimates do you refer to as the previous ones?—A. The estimates on file in the Department; I have already said I do not remember who made them. I thought Mr. Armstrong made them but he said yesterday he did not think he did.

By Mr. Bennett (East Simcoe):

Q. Where were these figures obtained? This 1,170,000 yards?—A. Out of the office at Toronto; that is 1,157,400 that takes you down to 23 feet.

Q. Upon whose estimate is that?—A. I could not say.

Q. You know who made the estimate you don't have so many million dollar work lying around all over the country that you don't pay any attention to the question of the preparation of the estimate?—A. I thought it was Mr. Armstrong but he says it was not. I believe it was him but if it was not probably it was some other man, possibly Mr. McGiverin.

Q. Where did he get these figures?—A. In my office.

Q. When?—A. Just about the time this investigation started; before I left the office, before I was taken sick in February.

Q. That showed if the work had been completed there would be 1,157,400 yards?—A. Yes.

Q. And you can't say who made that estimate?—A. No.

Q. You thought it was Mr. Armstrong?—A. Yes.

Q. And you can't say who made it. You can't say whether it was yours?—A. I checked them all over myself. I do not make all the estimates that are made. There might be a doubt in my mind. Mr. Armstrong came to my office in May, 1907, and this I think would be made before that. Of course if it was made in 1907, it might be carried over to 1908.

By Mr. Bennett (East Simcoe):

Q. Upon what page is Mr. Armstrong's evidence?—A. Here it is on page 131; that estimate amounts to 1,417,336 yards.

By Mr. Stewart:

Q. That is the total estimate isn't it?—A. Yes.

Q. You have no reason to doubt the accuracy of these figures?—A. No, I do not think so—he is high enough there, plenty.

Q. But here he is more favourable to the contractors, isn't he?—A. No, not necessarily.

Q. Because that is situ measurement, isn't it?—A. Yes, so it says.

Q. And if he is high in that is it not favourable to the contractors?—A. His prices are pretty good. Here he has estimated rock at \$2.50; hard pan, &c.; that gives a good estimate.

Q. That is quite a fair estimate?—A. Yes, that is all right.

Q. But then there was another detail of this estimate of \$55,000. That is your own estimate, the figures you gave in another section?—A. That is at the end of the elevator wharf, yes.

By Mr. Bennett (East Simcoe):

Q. Just before we leave this. There is no question that Mr. Armstrong made this. This is the report on p. 131. Look at that page?

Mr. STEWART.—Mr. Sing says that is all right.

The WITNESS.—I have no fault to find with that.

By Mr. Bennett (East Simcoe):

Q. Is Armstrong's estimate right or wrong?—A. The other estimate was in previous to this.

Q. Where is the other estimate? The letter reads: 'Acting in accordance with your instructions dated January 9, '08, I left here same date for Victoria Harbour.' And he brings back that report at 1,134,648 yards of No. 1, and gives the details of the whole thing, the total cubic yards being 1,417,336.

Mr. PRINGLE.—We do not disagree much on that.

By Mr. Stewart:

Q. Then, section 3, 55,000 was your own estimate?—A. I think it is.

Q. Then you come to the crib seats and extra depth?—A. Yes.

Q. And that is where you differ from Mr. Armstrong?—A. It must be, yes.

Q. Have you made a careful calculation of the amount in the crib seats?—A. No, that was included in the 1,058,000 yards. The Canadian Pacific Railway intended to complete their works to a depth of 26 feet.

Q. You do not know whose estimate that is?—A. If it was not Mr. Armstrong's, it would be Mr. McGiverin's.

Q. It would be possible to take the plan and make a careful estimate of the extra depth of 4 feet?—A. Now, do you mean——

Q. Yes?—A. Yes.

Q. Do you think if you had that plan before you you could work out an estimate?—A. Not in my condition of health.

Mr. GERMAIN.—Why do you not ask him to do it, and pay him for it? Let them send an engineer there in the same manner as anybody else.

Mr. STEWART.—But he called here for the contractors.

By Mr. Stewart:

Q. You would be in a much better position to give the accurate figures?—A. I have given you the accurate figures on which that work has been carried out since its inception.

Q. An estimate only?—A. That is an estimate only of Armstrong's.

Q. It is a calculation, by Mr. Armstrong?—A. It is nothing of the kind. Why is Armstrong's estimate absolutely correct and another engineer's an approximation?

Q. This is made down here from the plan and soundings?—A. So is the other. He has made a guess at that 200,000 yards for crib seats.

Q. Could you not calculate accurately what is in the crib seats?—A. If I had the plans.

Q. Why could he not, if he had the plans? He had the plan had he not?—A. I do not know.

Q. Where is the plan, Mr. Sing?—A. I expect the plan of Victoria Harbour is in the office at Toronto.

Q. Why would he not have access to it?—A. He might have had access to it.

Q. If he had access, he could make an accurate calculation?—A. Yes, he could have access to any of the papers in the office.

Q. If he has access to it, what reason have you to say that his estimate is a guess?—A. Because it is a guess. The amount allowed for these crib seats was 300,000 yards by the previous engineer.

Q. Who was that?—A. I think it was McGiverin. I believe it was Armstrong. If it was not Armstrong it must have ben the other. Armstrong says he did not do it.

Q. He ought to know best?—A. I am not disputing his word.

Q. In making your calculations, how much do you allow sub-grade?

By the Chairman:

Q. Let us see what you mean by the estimate now, can you measure the material in situ?—A. You take all your cross-sections first, every 25 feet, or 50 feet, or 100 feet as the case may be. That gives you the surface of the bottom. Then you make your cross-sections of the prism. Then your excavate and measure up that quantity in situ. If you want it in scow measurement you reduce it, adding the expansion factor whatever you may estimate as fair and proper.

Q. Supposing it is measured after the material is dredged out, you can only tell how much there is there after you go over the dredged area?—A. Certainly.

Q. Whether it is measured before or after it is taken out, it is an estimate?—A. Yes.

Mr. GERMAN.—You have to know the height of the surface of the land below water before you can make an estimate at all. If you go 5 feet, 6 feet or 10 feet below that it is easy enough to calculate.

The CHAIRMAN.—You have to know the surface of the land.

Mr. STEWART.—That is why the soundings were taken.

The WITNESS.—Certainly, that is right.

By Mr. Stewart:

Q. So you could estimate and calculate just what was there?—A. Yes.

By the Chairman:

Q. When you made your original estimate, did you have soundings taken?—A. Yes, and a plan made; and the cross-sections laid out.

Q. When Armstrong made his calculation, did he have any more data?—A. He did not. He had a blue-print made.

By Mr. Stewart:

Q. The same reason for having a strictly accurate estimate would not exist in the beginning?—A. Why not? Where would you land the Government or any one else if you were not accurate in your estimates?

Q. I should say approximately accurate. In these estimates I understand it is usual for engineers in their first estimate to make the amounts quite big, round, lump sums?—A. They should be on the safe side.

Q. They do that usually?—A. Some of them do; some do not—unfortunately.

Q. What are your instructions about that?—A. From whom?—My own judgement—I have had experience enough in this work.

Q. To your engineers who are making these calculations?—A. To be liberal in their estimates of quantities; to be careful there will not be any discrepancy.

Q. Why?—A. Because I want to be on the safe side. I do not want to get a Department in to an expenditure that is going to be double what they expect.

Q. So the cost of the work will come out somewhere near your estimates?—A. Exactly.

Q. These estimates are likely to err on the side of being too much rather than too little?—A. I always hope so.

Q. When you make a calculation that would disclose a difference?—A. That would not be fair, because the one is just as much an estimate as the other.

Q. I do not agree with you there. One is a calculation, but the other is an estimate?—A. You may be a good lawyer, but you are not a good engineer.

Q. You may be a good engineer, but not much of a lawyer. I think a judge would be against you on that. I was asking you how much you allowed sub-grade?—A. I have always striven for two feet, but they have cut me down to one.

Q. In this calculation how much do you allow?—A. One.

Q. You said two yesterday?—A. I said some of them. I said I preferred to allow two feet, but the Department said one.

Q. How do you know whether it is one or two allowed there?—A. The Department instructs to allow one.

Q. You said Armstrong should allow two yesterday?—A. I said in making the extra depth I thought he would be safer if he went two.

Q. What is a fair expansion of rock?—A. That is a quantity which varies a great deal in different kinds of rock. It varies all the way.

Q. Is 80?—A. 80 is very large—as 1.80 is to one; you divide 1.80 into the quantity.

Q. Mr. Armstrong has allowed a large factor?—A. I think it is very large.

Q. That would be fair to the contractor?—A. Certainly.

Q. In some of your correspondence you spoke of the expansion of 'other material' being 30 per cent?—A. 30 or 33 per cent.

Q. That amount is fair?—A. That is all right; nothing wrong about that.

Q. You say, Mr. Sing, that you know of nothing irregular. Didn't you often find trouble in this method of taking out material by scow measurement?—A. I did not like it.

Q. Why?—A. Because it is very difficult to keep track of; and I have very little confidence in it myself. I do not like it. I would much prefer the in situ.

Q. That is the method adopted in this case?—A. For that place, yes.

By Mr. German:

Q. It is the method which has been adopted by the Public Works Department since Confederation?—A. Yes, the in situ, has not been introduced until Mr. Dufresne became Assistant Chief Engineer. I have been advocating it since I was in the Department. I was not successful in getting it introduced until Mr. Dufresne came there.

Q. How long have you been working under that?—A. Last year.

Q. I am going to produce to you a copy of a letter which you wrote yourself to one of these inspectors on the 17th June, 1908. See if you recognize that?—A. (Reads).

TORONTO, 17th June 1908.

DEAR SIR: I have to again call your attention to the great excess of scow measurement over that in situ according to your returns for the week ending 30th May, which record 3,675 cubic yards, scow measurement, while that in situ only amounts to 900 cubic yards. The percentage in the class of material which you are excavating should not exceed 30 per cent for scow measurement over that in situ. Please explain this discrepancy, and, in future, see that your quantities are returned in the proper proportions.

On your returns for the week ending 9th May, the situ quantities are in excess of the scow, which is absurd. Please be very careful.

Your obediently,

MR. W. H. HACKER,
Inspector of Dredging,
Midland, Ont.

J. G. SING,
Engineer in Charge.

I wrote that letter.

Q. You say you have "to again call (his) attention". Did you have to do so before?—A. I will explain that. I daresay I had to get after all of them once in a while.

Q. Did you have to speak to them before?—A. I guess I did.

Q. What was Hacker's reply?—A. Let me explain why I wrote this letter. On the dredging returns there are three columns, for the distance that the dredge has moved every day; and the depth to which she has dredged; and the width of the cut. That enables the engineer, if he takes the trouble to do it—which I used to do very frequently; I had to sign all the returns that went from my office; to check them over to make up that calculation myself and compare it with the returns of scow measurement; and if I found that the thing did not correspond then I went after him. But it did not necessarily prove that the man was crooked. He had to have the thing correspond. He was not paying proper attention to his measurements.

Q. Well you use the word "again," that means this is the second time?—A. Maybe I do, I will not say.

Q. That is an irregularity, is it not?—A. Well, it is an oversight.

Q. And wasn't that getting to be a frequent occurrence, that sort of thing?—A. No, I do not think so.

Q. You do not know of any other occasion that arose?—A. I do not remember, I do not remember ever writing another letter like that.

Q. Mr. Hacker was continued right along as inspector?—A. Yes, he was there a long time.

Q. Do you ever give any of the inspectors leave of absence?—A. Did I ever give them leave?

Q. Yes?—A. I think I did, I think I gave Mr. Campbell leave in the fall.

Q. For how long?—A. For a week.

Q. Did his pay go on?—A. He substituted a man, he put a man in his place there.

Q. Who was it, do you know?—A. No, I do not, I don't remember now. I only remember one instance of that.

Q. You would call that an irregularity, wouldn't you?—A. No, I would not want to call that an irregularity; that is a pretty severe word; he did it, his explanation was all right, and I kept him on. These reports pass through my hands right along.

Q. Would you say they were all right?—A. Yes, that class of man would give the reports to you all right. These returns are sworn to.

By Mr. Bennett (East Simcoe):

Q. Do you say that at that time when Hacker made that report the returns were sworn to?—A. No, I do not know, not in 1908, I think it was after that, the next year, perhaps.

Q. Wasn't it a couple of years after?—A. No. I introduced the first affidavit. I sent it down here and had it printed and then it was elaborated on and it was discussed when Mr. Armstrong made the survey at Tiffin and Victoria Harbours.

By Mr. Stewart:

Q. That is as to going below depth?—A. Yes.

Q. That was quite extensive both at Victoria Harbour and Tiffin?—A. Considerable, yes.

Q. What did you do about that?—A. I had Mr. Armstrong calculate the excess of depth, and I had that checked by two other engineers, I cannot remember the names, but I think it was Mr. Ruddick and Mr. McGiverin, and reported the matter to the Department.

Q. What did you do in the way of ascertaining why this over-depth had been permitted?—A. I went and visited the places and interviewed the inspectors.

Q. Did you have an investigation?—A. I investigated it myself.

Q. That is what I mean, you investigated it personally?—A. Yes.

Q. And what did you find? Who was responsible for it?—A. The inspectors were responsible for it, of course.

Q. You found that the inspectors were responsible?—A. I suppose so, yes.

Q. Which one of the inspectors?—A. I think it was Kellman, at that time there were four inspectors, as there are now, up there, and he was a kind of head inspector, he kind of had charge of the others.

By Mr. Bennett (East Simcoe):

Q. Speaking of trouble between yourself and a man named O'Shea, one of the inspectors, wasn't there a writing, backwards and forwards, of letters? I have seen the letters, O'Shea showed them to me?—A. I don't remember what it was about.

Q. Didn't O'Shea protest to you at the time these deep holes were being dug there at Port McNicholl in regard to the matter, didn't he write letters to you?—A. No, he did not. I never found that out nor I didn't know of it until Mr. Armstrong brought it to my attention; you bet he wouldn't have stayed on the job a minute or any of the rest of them if I had known of it.

Q. Do you say that he never reported such things to you? I have seen the letters. —A. I have seen them, then, you have seen more than I have.

Mr. GERMAN.—Where are the letters?

Mr. BENNETT (*East Simcoe*).—Mr. O'Shea has them.

By Mr. Bennett:

Q. Is it true that after all these men were suspended?—A. They were all suspended. I refused to employ them at one time, they were not re-employed for a while. They were left off, I think it was in the spring.

Q. On a report made by you to the Department?—A. I think so.

Q. Have you a copy of that report?—A. No, I haven't.

Q. The report will be in the Department?—A. Certainly, whatever correspondence passed will be found there.

Q. Then as soon as these men were suspended?—A. I don't remember suspending them that way.

Q. You said you made a report to the Department?—A. I reported the matter to the Department and my recollection is that they were not taken back for a few days.

Q. Did you see them personally about it?—A. Yes, I saw Kellman.

Q. At Victoria Harbour?—A. Yes, I saw them all, that is my recollection.

Q. You had better brighten up your recollection. Didn't you meet all four of them in the hotel at Midland?—A. No.

Q. Not in the parlor of the hotel?—A. No, I do not remember it at all.

Q. Will you say that you did not meet them in the parlor of the hotel?—A. I saw them on the dredge, I do not remember meeting them anywhere else.

Q. Did you not meet them in the sitting room of the hotel at Midland?—A. My recollection is that I spoke to all of them, but I will not swear that I did not.

Q. Will you say that you didn't see them at the hotel in Midland? Or that they did not summon you there?—A. No, they did not.

Q. Now I ask you this question, didn't you meet the four inspectors in the hotel at Midland?—A. I say I do not remember it, I will not deny it if I did, I will not deny it, it would be a proper thing to do if I did meet them.

Q. Did they on that occasion all blame Kellman?—A. No, I do not remember meeting them, no it wasn't there at all, it was at Victoria Harbour.

Q. Tell me, who did blame Kellman?—A. O'Shea.

Q. For what?—A. He said he was told to go below depth.

Q. What did Campbell say?—A. I do not remember Campbell saying anything, he was a quiet man; O'Shea was a fiery Irishman.

Q. But they all blamed Kellman?—A. Well, they didn't get much out of it, nor they wont get it, nor any other dredging company.

Q. It is no fault of yours they didn't get it.—A. It is just mine, and no one else's.

Q. You have been backwards and forwards there quite frequently?—A. Yes, I have been there with you a good many times last summer.

Q. Yes, I was there one or twice. How was it you never detected these holes?—A. I was not acting as a diver or taking soundings, that was the inspector's work, they should have done that.

Q. So that is no part of the work of the engineer in charge to see whether it is done properly or improperly?—A. A man cannot cover all the details; a man is bound to come to grief sooner or later. Mr. Armstrong is not the only man who has discovered work below grade; there are other men who have gone out and found it as well. Mr. Armstrong did his duty and reported to me well and faithfully, and was immediately instructed to make a computation which he did.

Q. I suppose the Minister has a right to run the Department as he likes?—A. The Minister?

Q. Yes?—A. He didn't have anything to do with the Minister in that, he was acting under my instructions.

Q. I suppose Mr. Armstrong has been making computations under instructions from the Minister?—A. I never said anything of the kind.

MR. PRINGLE.—Mr. Sing said that Mr. Armstrong was acting under his instructions.

By Mr. Stewart:

Q. Do you say that the first that you knew about any going below depth was when Mr. Armstrong made the survey in 1910 or 1911?—A. That is my recollection, yes, that is in Victoria Harbour, both places.

Q. At that time you had been working to plane 580 below sea level?—A. That was the plane adopted by the Department.

Q. No change had ever been made?—A. No, we had thought of making a change, of adopting 578.5.

Q. When did you first think of that?—A. I do not remember the year, it was 1910 or 1911 when we were talking about going 26 feet so as to conform with the Georgian Bay Canal plane.

Q. That would be 20 feet below—A. At the Soo.

Q. Yes?—A. 20.5.

Q. Well, if you went down 24 or 25 feet that would be 4 or 5 feet below that?—A. Yes, we had to do that. I had great difficulty in getting that done for this reason: that these ports of McNicholl, Victoria Harbour, Midland and Penetanguishene are situated at the lower end of Georgian Bay, when they have southeasterly gales prevailing it drives the water out and lowers it sometimes 2 feet.

Q. When did you find out that these were the conditions?—A. I have known it all my life, I was born up there and I have sailed all over the place.

Q. Didn't you take that into consideration in making your reports?—A. That is the one argument I advanced to the chief when endeavouring to have them go to 25 feet.

Q. 25 feet would be ample?—A. I think so under present conditions, the water is higher now.

Q. I mean under average conditions?—A. Yes.

Q. I produce to you a letter written by yourself. Will you just see if this is your letter dated March 28, 1911, to Mr. Dufresne. That is your signature?—A. Yes.

Q. I will just read this, this is a report with reference to the dredging below depth:

'During the past winter I have had complete soundings taken over the area dredged and to be dredged at Tiffin and I herewith send you plan of same in duplicate. You will notice that the contractors have, in some places, dredged below grade. Their attention was called to this and they claimed it was done entirely unintentionally and have stated to me that they are willing to remove a quantity equivalent to the excess at this place free of cost to the Department.' That does not agree with the statement that the inspectors permitted this and were responsible for it, does it?—A. I do not know whether it does or does not.

Q. (Continues reading).

'The depth to which they were instructed to dredge was 25 feet below a plane, viz,—580 feet above sea level at New York and I allowed two feet for the sub-grade in the soft material and one foot in the rock. The excess quantity amounts to 27,529.6 cubic yards in situ, to which one-third must be added for scow measure. I may say that the excess is all of the 'other materials' for which their contract price is 29 cents per cubic yard scow measure.

Owing to the rapidity with which the water in the Georgian Bay is receding, I have come to the conclusion that the datum plane to which dredging in all ports on the Georgian Bay should be referred is 578.5 above sea level at New York; this being the plane for the proposed Georgian Bay Canal, and if same is adopted the excess quantity amounts to 11,805.3 cubic yards in situ, or 15,740 cubic yards scow measurement.

In the event of the contractors not taking out the excess quantity I would recommend the deduction of 11,805.3 cubic yards in situ. The inspector has permitted the depth to be exceeded notwithstanding the fact that I have frequently called his attention to the necessity of taking constant soundings in advance of the dredge and in rear thereof as she moved ahead.

In view of last year's experience I intend, unless otherwise directed, to place one of my assistants on this work to take cross-sections, daily, if possible. I will do this even if the inspector, Mr. Hacker, is reappointed, and will also do as directed in your letter No. 2,275, dated 27th February last.

Yours obediently,

J. G. SING,
District Engineer.'

A. R. DUFRESNE, ESQ., C. E.,
Assistant Chief Engineer,
Public Works Department,
Ottawa, Can.

You must have been having a great deal of trouble with the inspectors during that year? —A. I would not say a great deal; one instance would be enough.

Q. Why would you think it necessary to put on an engineer?—A. I would prefer it, because I would have more confidence in the work being done. I do not like the system of these local men at all on this kind of work.

Q. Why?—A. It is better to have engineers there.

Q. Why?—A. Well, that is their business. They are educated up to their work.

By the Chairman:

Q. These local men are appointed by the local executive?—A. Yes.

By Mr. Stewart:

Q. What would have been the effect if your recommendation of changing the plane had been adopted? It would have reduced it materially?—A. Yes; it would have reduced it $1\frac{1}{2}$ feet.

Q. It would have helped the contractors. What effect would your recommendation of a datum plane of 578.5 have?—A. The water in the Bay that year was very

low and going down rapidly, and all the marine men were clamouring for it, and if it was adopted it would be a permanent thing; and it will be.

Q. Just unfortunately it comes along at the time that deduction is made.—A. That is not fair; it does not.

By Mr. Bennett (East Simcoe):

Q. How long was this recommendation made after the discovery by Armstrong?

MR. STEWART.—It was made in 1911, and the discovery was made in the winter of the same year, 1910.

THE WITNESS.—That does not make a bit of difference. I am in favour of 578 to-day.

By Mr. Stewart:

Q. I am going to show you also a letter from Mr. Dufresne. See if you remember getting a letter like this. If so, will you just read this. (File copy of letter produced).

By the Chairman:

Q. Have you a recollection of the letter?—A. It is a letter from Dufresne to me. We were discussing this 578 plane. He is not in favour of it; he is a 22-foot man. (Reads).

April 13, 1911.

DEAR SIR:—I have before me your letter of the 28th March last, reporting on conditions which you have found at Tiffin, Ontario, as a result of soundings which you have taken over the area dredged last season.

I do not quite understand the conclusion you arrive at regarding the change in the grade in this place.

It would appear to me that as most of the river improvement work now being done on the Great Lakes is to a depth of 21 feet below Lake Huron datum plane. The 25 feet which you have planed below the 580 feet datum plane will be sufficient to give ample depth on revised 578.5 Georgian Bay Canal datum plane.

That is below 578.

By Mr. Stewart:

Q. He says 25 feet would be ample?—A. That is different from 578.

Q. Your letter does not recommend that?—A. I say 25 feet below 580. Still I am in favour of adopting this plane. (Reads).

I trust you understand the point which I wish to make, which is practically, that a 21-foot depth below the 578.5 datum plane will be sufficient, and, therefore, I do not see that there should be any necessity of reducing the quantity of dredging which was done below grade at Tiffin, and which you estimate to be 36,706 cubic yards, scow measurement.

As regards the portion of your letter which deals with inspectors, it certainly should be seen that Mr. Hacker be not accepted, if your are satisfied that he will not follow your instructions, and it might have been well to have reported this, in answer to my letter of January 23 last, regarding inspectors.

Q. What date is that?—A. 13th April, 1911.

Q. Was Mr. Hacker reappointed after that?—A. Yes, he was on the job.

Q. Did you object to Mr. Hacker continuing?—A. I do not remember whether I did or not.

MR. BENNETT (East Simcoe).—I wish you would turn to p. 26, and ask the witness some questions, as to whether he was aware of the fact of the investigation, and if he had heard as to Hacker's incompetency.

By Mr. Stewart:

Q. You had some evidence of Mr. Hacker's incompetency, and your own letter to him shows that. Had you heard anything else about his neglect of duty?—A. I had nothing to do with the dredging in 1905 at the time of that investigation.

Q. 1908 it was. Had you heard anything else about Hacker?—A. I cannot remember.

Q. Did you remember an investigation being taken before the Committee?—A. I was never down.

Q. Did you know of that evidence?—A. I do not remember it.

Mr. BENNETT (*East Simcoe*).—Did the witness never hear that there was any investigation about dredging?

By Mr. Stewart:

Q. Did you follow up the investigation; did you know there was one?—A. I knew there was an investigation. I cannot remember the evidence.

Q. Did you know Hacker had been criticized for neglect of duty?—A. Yes.

Q. How did he come to be reappointed?—A. I had nothing to do with the appointment. I have not now.

Q. You suspended him?—A. I did not suspend him.

Q. I thought you suspended him?—A. They were not re-employed. But it was only for a short time. I did not have anything to do with the appointment of the inspectors.

Q. They were put back?—A. Yes, and remained on till the fall of 1911.

Q. Would you not call these irregularities, Mr. Sing, in connection with this work?—A. Oh, yes, I suppose you can use that word if you want to. What I mean by that is, that I did not see them stealing anything.

Q. You did not actually see them?—A. There are lots of inspectors on works that I do not approve of, or any other engineer.

By Mr. Bennett (East Simcoe):

Q. In that letter to Hacker, you complain that while the situ measurement is 900 cubic yards, the scow measurement was reported as 3675 cubic yards. What percentage would that be?—A. I cannot work it out. I am not going to work it out. Let Mr. Bennett work it out himself.

By Mr. Stewart:

Q. Why do you refuse?—A. I do not feel capable of doing it. It is a big percentage, and I called his attention to it, and it was not repeated.

Q. How do you know it was not repeated?—A. By observation of the returns.

Mr. BENNETT.—(*East Simcoe*).—What is the calculation?

Mr. STEWART.—It is about 185 per cent, Mr. Sing.

Mr. BENNETT (*East Simcoe*).—The contractors were getting \$7.50 for rock.

The WITNESS.—That just happened on that occasion. The inspector was called up and rounded up. He might have made a mistake.

Mr. BENNETT (*East Simcoe*).—If he took the opportunity of letting it go through, it might have gone on for the several years that the work was going on.

Mr. MORPHY.—Mr. Sing says he did not let it go on; he checked it at once.

By Mr. Stewart:

Q. As long as the scow quantities agreed with the situ quantities on his returns, you would have no other check, if he chose to make his figures on these returns agree.—A. If he chose to be a crook he might be able to steal something.

Q. You could not detect it from his returns?

By Mr. Bennett (East Simcoe):

Q. Was Hacker an inspector in Wilkinson's time?—A. I had nothing to do with that at that time.

By Mr. Stewart:

Q. There was no other body over these inspectors?—A. I had nothing to do with the dredging then and the returns were sent direct to Ottawa.

Q. When?—A. In 1905, the year that Wilkinson flourished.

Q. In 1908?—A. I had charge then, of course.

Q. There would be nobody over these inspectors to keep a check over them?—A. Not all the time. If they were crooked the chances are they could practice their nefarious purpose.

By Mr. Morphy:

Q. Who appointed these inspectors, Mr. Sing, did you?—A. No.

Q. Were they appointed on your recommendation?—A. No, Sir.

The CHAIRMAN.—They are recommended by the member or local executive.

The WITNESS.—I think Dr. Gunn recommended a good many of them.

Mr. BENNETT (*East Simcoe*).—I want to have this brought out a little more clearly. In Wilkinson's evidence, in 1908, the following questions were asked:

Q. But you did say, if I understand you correctly, that you have known the dredge to be working at four o'clock.—A. We have started at four o'clock and at five o'clock.

Q. Frequently?—A. Just for a few months in the summer season.

Q. Who would keep track of whether the scows were filled or not up till the time Macker was there?—A. The engineer and craneman.

Q. Then it was not the Government inspector?—A. No. I want to follow that up.

By Mr. Stewart:

Q. I produce to you a copy of another letter of yours regarding Victoria Harbour excess. (Letter produced). That is your letter is it not?—A. It is signed by me.

Q. (Reads).

TORONTO, 28th March, 1911.

SIR,—During the past winter I have had complete soundings taken over the area dredged and to be dredged at Victoria Harbour and I herewith send you plan of same in duplicate.

You will notice that the contractors have, in some places, dredged below grade. Their attention was called to this and they claim that it was done unintentionally and, owing to the softness of the material was almost unavoidable, and have stated to me, verbally, that they are willing to remove a quantity equivalent to the excess at this place free of cost to the Department.

The depth to which they were instructed to dredge was 25 feet below to a plane, viz,—580' above sea level at New York and I allowed two feet for su-grade in the soft material and one foot in the rock. The excess quantity amounts to 25,801.6 cubic yards in situ to which one-third must be added for scow measure. I may say that the excess in all of "other materials" for which their contract price is 12½c. per cubic yard, scow measure.

Then follows your recommendation regarding the Bay filling up.—A. Receding. Q. (Reads).

In the event of the contractors not taking out the excess quantity, I would recommend that the amount of 5,393.10 cubic yards in situ be deducted or 7,191 cubic yards, scow measure.

There were three inspectors employed on this work, and this is the first instance in which they have displayed negligence in the performance of their duties; in not taking soundings with sufficient frequency to prevent any possibility of the contractors dredging below the depth authorized. The excess above mentioned was all removed late in the season and after soundings had been taken to check the depths in October last.

You say 'this is the first instance in which they have displayed negligence.' Who was the inspector there?—A. We kept changing them from one place to another; they were at Tiffin part of the time, and part of the time at Victoria Harbour. It is impossible to say who would be there. They changed the dredges and inspectors.

Q. They are the same four, Hacker, Kellman Campbell, and O'Shea?—A. Yes.

Q. That is the first instance in which they displayed negligence?—A. That is what I believe to be true.

Q. Before that you had this return that was very much out of joint?—A. I have forgotten it. I tried to keep them as straight as I could.

Q. Why were you so anxious to have these inspectors reinstated?—A. I did not ask for them.

Q. You are putting in a good word for them.

MR. BENNETT (*East Simcoe*).—You might ask the witness, Mr. Stewart, when he was notified under date of September 30, to appoint Frank Auchance, where did he find him.

By Mr. Steward:

Q. You were notified to appoint inspectors. How did you locate them?—A. I do not remember that man at all, it is a new name to me.

By Mr. Bennett (East Simcoe):

Q. It was intended for O'Shea. When you get letters asking for the appointment of certain inspectors, how do you locate them, how do you find out who they are?—A. The custom is to write to whoever has charge of the district patronage asking them to send the names and address.

Q. Who had charge of the patronage in this case?—A. Dr. Gunn, Manley Chew, I cannot just tell who.

Q. He had it later on?—A. Mr. Chew had it right up to the time Mr. Bennett was elected.

By Mr. Stewart:

Q. Did you ever see Mr. White or Mr. Grant about that?—A. I do not remember.

Q. Did you ever discuss the question of the appointment of inspectors with the dredging company?—A. No, I did not, they would be the last men on earth I would go to.

Q. Didn't you go to them?—A. I didn't have the names——

Q. Didn't you go to them and complain that they were not doing very much?—A. I don't remember.

MR. PRINGLE, K.C.: He went to the Government, I suppose.—A. I went to the Department, to Mr. Lafleur or Mr. Dufresne.

MR. BENNETT (*East Simcoe*).—Will you press that question, Mr. Stewart, as to how he found who Auchance was?—A. I do not remember it at all, haven't slightest recollection, never heard of such a name.

MR. MORPHY.—To whom was that letter written?

MR. STEWART.—This letter was written by Mr. Sing to Mr. Dufresne, the Assistant Engineer.

By the Chairman:

Q. Is this man Hacker on the job now?—A. They were on from the 31st of September, 1911, until the end of 1911, when Mr. Bennett was elected. I went to Mr. Bennett after the election and I said to him, "You do not like these men, what will I do with them," and he replied, "Wait until you hear from me about it," and they remained at work there until the time for closing up in 1911.

Q. When was that?—A. When the money run out. There are annual appropriations, probably \$100,000 for one place and \$150,000 for the other, and they stop work when that appropriation is exhausted.

Q. Do you know anything about the appointing of the new men?—A. I got their names from Mr. Bennett. I got four names from him and they were appointed, they are all good men, they are all right.

Q. You had nothing to do with the appointment of any of the men?—A. No, I wrote to Mr. Bennett and he replied, "You appoint so and so," and gave me the names and addresses.

Mr. BENNETT (*East Simcoe*).—I wrote to the Minister, any dealings I have are with the Minister.—A. I have some letters up there in the office. I do not know who wrote them but your name is to them.

By Mr. Stewart, K.C.:

Q. Then following up this question of below depth, do you know whether any deduction was made for that?—A. You know all about that, the deduction was made in Victoria Harbour, the deduction was made, that was discussed in Mr. Dufresne's office.

Q. That was not made, only Victoria Harbour, until this investigation started?—A. I haven't the slightest idea, I do not know.

Q. Do you not follow up a matter of that kind, do you not keep check on it?—A. No, sir. I don not come down here and tell them what to do. I write my letters and tell them so and so, and they deal with the matter after that.

Q. Would not that be an irregularity?—A. By whom?

Q. I am not saying by whom.—A. On whose part?

Q. Would not that be an irregularity?—A. It might be an oversight, I do not know that you would call an oversight an irregularity.

Q. It would be an irregularity, certainly.—A. Call it what you like.

Q. You speak in your letter about taking out some other quantity without charge, why did you mention that?—A. We would be getting an equivalent, if they took out so many yards of material, it would be just as good as money, what is the difference?

Q. How would you keep track of it?—A. In the estimates.

Q. Where?—A. Wherever the next work is started.

Q. But not out of this work?—A. No, because this was done in the fall.

Q. You were making that recommendation in view of some other work?—A. We knew the work was going to be done, Victoria Harbour had to be finished.

Q. What memorandum did you make in order to keep track of it?—A. I did not make any, I had returned the quantities, that so much was not to be paid for.

Q. The deduction was not made for Victoria Harbour until some time this spring, 4,300 yards?—A. No, because I know it wasn't done until that day you and I were in Dufresne's office.

Q. This winter.—A. Yes.

By Mr. Morphy:

Q. Is that the equivalent for the over-depth?—A. At both places.

The CHAIRMAN.—I understand that Mr. Sing recommended that these men be not paid.

Q. Have they paid up for the wrong done in going below depth?—A. Yes.

Mr. PRINGLE, K.C.—The Government always retains a certain percentage besides the original deposit made with the contractors. On this Victoria Harbour work alone to-day there is somewhere between \$20,000 and \$30,000 in the Government's hands waiting for the final completion of the work.

Mr. BENNETT (*East Simcoe*).—No, no, waiting the result of this investigation.

Mr. PRINGLE, K.C.—No, waiting the completion of the work.

The CHAIRMAN.—The point is would the Government have deducted that \$4,000 if it had not been for this investigation?

Mr. STEWART, K.C.—I do not think so, it would never have been discovered.

By Mr. Stewart:

Q. Can you show me any other letter on the file in which you can show that you made any such recommendation?—A. I made the recommendation with regard to both of them at the same time, and if the deduction was not made it was not my fault.

Q. That was after you discovered this going below depth?—A. I did not know anything about it before.

The CHAIRMAN.—He says he has been in favour of reducing the grade for years.

A. Look up the files of the Department, ask Mr. Lafleur and Mr Dufresne, I have been in favour of it for years.

The CHAIRMAN.—I am speaking particularly of the letter which was read which says that he recommended that this company be not paid for the equivalent that they had gone below depth; as far as he is concerned Mr. Sing has recommended that to the Government, and it appears that the Government made that reduction.

By Mr. Boyes:

Q. I understand that Mr. Sing says that he made a recommendation that this four thousand be deducted. Supposing he had dropped dead is there anything on file anywhere to show that report has been made for the protection of the Government, or was it simply in his mind?—A. No, no, that is all on file in the Department.

Mr. PRINGLE, K.C.—Here is a statement of the 16th of April, 1913, Tiffin Harbour, and there is a balance there of \$18,000 that the Government holds, and in connection with Victoria Harbour there is a balance of \$13,000, making a total of \$31,000 that the Government has in its hands now.

By Mr. Stewart:

Q. Have you been in Midland recently?—A. About two weeks ago, I think.

Q. I suppose you have seen these contractors with reference to this?—A. With reference to what?

Q. This investigation?—A. No, I have not.

Q. Have they been down to see you at all?—A. I have not discussed it with them at all. I saw Mr. Pratt the last day I was up there, but I had no discussion with him about this.

Q. You did not discuss this matter with them at all?—A. No, sir, nor with anybody else.

By Mr. Bennett (East Simcoe):

Q. Mr. Hacker's return would show, according to that letter some 300 per cent over the actual amount; was he not chiefly concerned on the rock at Tiffin?—A. He was at different places, he wasn't always at Tiffin, he worked at Victoria Harbour or any place, they exchanged their dredges sometimes.

By Mr. Stewart,

Q. How was the location of the inspectors determined? Was not that under your direction?—A. No, I didn't interfere with that, they selected their own dredges, one of them liked the *Monarch*, and another would prefer to be on another dredge. I

would change the dredges around according to the nature of the work; if I wanted rock work done I would put the *Monarch* on it.

Q. Was it left to the inspectors to determine which dredge they went on?—A. Yes, they went on whichever dredge they liked.

Q. Were they allowed to change from one dredge to another?—A. No, they stayed on a dredge all the season; occasionally they might change from one dredge to another.

Q. Was the capacity of these scows marked on them?—A. Yes, I marked the capacity of the pockets on each, and the number of the pockets.

Q. When was that done?—A. Two years ago.

Q. Before that the capacity of the scows was not marked on them?—A. No. After that the thought struck me that it would be a good idea and so I had each scow marked with its number on the end, then I had the number of pockets, four or five say, in the scow marked, and then the capacity of each pocket and the total capacity of the scow, so that you could stand on the wharf and see what was in the scow.

Q. How many scows did they have?—A. I could not say, they must have had eight.

Q. They were moving about?—A. The scows?

Q. Yes?—A. Certainly.

Q. And they may have been moved from dredge to dredge?—A. Oh I don't think they exchanged, I think each dredge had its own scow.

Q. They were of different capacities, were they not?—A. Oh yes.

By Mr. Bennett (East Simcoe):

Look at page 27 of the evidence, given at the examination of Mr. Pratt this year. Mr. Wilkinson gave evidence to the same effect and Mr. Pratt confirmed it.

'You do not think that he (that is Hacker) was there? If I understand you correctly you have known a dredge working at 4 o'clock in the morning?—A. We have started at 4 o'clock and at 5 o'clock frequently just for a few months in the summer season.

was there?—The engineers and crane men."

Q. Who would keep track of whether the scows were filled up to the time Hacker

By Mr. Stewart:

That was also the evidence of Mr. Wilkinson.

Q. Have you any reason to doubt the accuracy of that?—A. I wouldn't say that is incorrect.

The CHAIRMAN.—That is not in this examination, that is years ago, what is the date of that?

Mr. BENNETT (East Simcoe).—March 24, 1908.

By Mr. Stewart, K.C.:

Q. You did not hear that investigation?—A. I can't remember just at the moment, of course I know they had an investigation.

Q. You know they had an investigation?—A. Yes, but I could not tell you when it was.

Q. What did you do after learning of these irregularities on the part of Hacker?—A. I do not know as I did anything. I did not read the evidence.

Q. You did not follow the matter up?—A. I have enough to do besides reading evidence.

By Mr. Morphy:

Q. Assuming that there was improper confederation between these inspectors and the dredging contractors when the over excavation took place which is so much talked of here, what have you done since, if anything, to protect the country against a recurrence of such confederation on similar work?—A. Having the surveys made just as formerly, and last year there was an engineer on the ground all summer.

Q. Is that a new departure?—A. Yes, to put an engineer on the work all the time.

Q. You consider that an absolute check against dishonesty?—A. His instructions were to take extensive soundings as the work progresses. We have found nothing such occur since.

By Mr. Bennett (East Simcoe):

Q. What engineers have been there on the work constantly?—A. Mr. Irwin was there all summer.

Q. Was he exclusively on this work?—A. He had the two places, Tiffin and Victoria Harbour; and he made a trip to Coldwater, which is in the same riding. He made a survey of some proposed contract. He had charge of these works. He is a good boy, a clever, straightforward, fearless fellow. I am glad to know he is going back again.

By Mr. Morphy:

Q. Do you think that is an additional safeguard?—A. I think it is a good one.

Mr. BENNETT (*East Simcoe*).—Mr. Stewart, you might ask how much of the season of 1912 was Irwin there. Is he an engineer or a student?

The WITNESS.—He is a student.

Mr. BENNETT.—How much of the season was he there?

The WITNESS.—From the time the school closed in the spring until it opened in the fall. The S. P. S. opened in October.

By Mr. Stewart, K.C.:

Q. What time does the dredging work generally commence in the spring?—A. As early as they can get at it, as early as money is available, or as soon as the orders go out.

Mr. BENNETT (*East Simcoe*).—Ask the witness what time did Irwin leave?

The WITNESS.—I think about October.

Mr. BENNETT.—What is the reason he did leave?

The WITNESS.—He went back to school.

Mr. BENNETT.—What works was he engaged on during the summer apart from this, Mr. Stewart?

The WITNESS.—He was engaged, as I say, I sent him down to Coldwater, which

Mr. BENNETT (*East Simcoe*).—Where did he live during part of the summer he was in charge at these harbours. Those were his headquarters, Victoria Harbour and Tiffin. He gave them a great deal of personal supervision.

Mr. BENNETT (*East Simcoe*).—Where did he live during part of the summer he was there?

The WITNESS.—At the Queen's Hotel, Midland.

Mr. BENNETT (*East Simcoe*).—You might ask the witness what Irwin had to do at Penetanguishene?

The WITNESS.—There was not anything done there. He would have looked after that too if there had been anything, but there was nothing done at Penetang.

Mr. BENNETT (*East Simcoe*).—Now, Mr. Stewart this question: Would the general supervision of all these inspectors be on a par with that of Hacker as stated by the witness in that letter of complaint? If so, these returns would be about 300 per cent more..

The WITNESS.—That is the only case that occurred to my knowledge. I do not know of any other case.

By Mr. Stewart, K.C.:

Q. What was Hacker's reply to that?—A. I do not remember. Of course, we could find out. It is on file, if he wrote a letter.

Q. Was any deduction made for that week?—A. Which week?

Q. The week that that return was made?—A. I do not know as there was. As I say, that might easily have been an error on the part of the inspectors. These men are usually uneducated, and they do not get these things in good order.

Mr. BENNETT (*East Simcoe*).—Assuming that Wilkinson's statement is correct that Hacker would not be there at the dredge at all, and that the returns would be made by some of the officers of the dredge, was the same practice carried on every year of these dredging operations, so far as the witness knows?

By Mr. Stewart, K.C.:

Q. You heard the question?—A. I do not understand the question.

Q. Were there any other checks kept upon these inspectors after this investigation that took place in 1908, when it was sworn that they were there part of the time only and that the cranemen were making the returns?—A. They were watched. No other reports reached my ears.

Q. Prior to 1912, was there any person there looking after the inspectors before Irwin's arrival?—A. There used to be men sent out from the Department, as I explained before. And they reported to Ottawa. They used to visit all the places very frequently.

Mr. STEWART.—Anything else, Mr. Bennett?

Mr. BENNETT (*East Simcoe*).—It seems to me if this man Hacker was not at the work, and if he was returning 400 per cent more than the quantities in situ, I might ask is that a fair example of the work as carried on at these two points?

The WITNESS.—It never happened before.

Mr. STEWART.—How do you know it did not happen since?—A. Because I watched the returns myself. I discovered that error myself because I examined the returns, and I told the clerks in the office to watch that as far as they could. But if an inspector is dishonest it is only a poor check after all.

Q. Your check is a poor one after all?—A. That scow measurement is not a very good one. I do not like it. The proper way is to have an engineer on the ground.

Q. In conditions like that the scow measurement would largely exceed the situ plus the factor of expansion?—A. It would if that thing is allowed to go on.

By Mr. Bennet (Simcoe):

Q. How was it found out how much there was in situ? The return was 400 per cent more?—A. I can explain that.

By Mr. Stewart:

Q. It is on the return itself?—A. That was through a mistake. There is no doubt about that, or there is something wrong about it.

Q. Where did you get the situ quantity?—A. Right off the returns. I am not going to explain these things half a dozen times.

Mr. BENNETT (*Simcoe*).—During all those seasons that this work at Tiffin and Port Nicoll has been carried out under these inspectors, ask the witness whether the country got the benefit of this money.

The WITNESS.—I am not prepared to answer any such a question.

By Mr. Stewart, K.C.:

Q. Is that not a fact that they have been paid on the basis of the returns for scow measurement made by these inspectors?—A. They have been paid by the day.

Q. They have been paid by the yard?—A. The contractors?

Q. Yes, on basis of the returns made by these inspectors?—A. Yes.

Q. And that no other check was kept upon these inspectors?—A. Except what I have said.

Q. Which you say is a most imperfect one?—A. I am not much in sympathy with it.

Q. Have you an engineer in your office to check them up?—A. Consider it yourself a moment. They do both of them; they put in the situ measurement, and the other in too.

Q. Who checks the situ?—A. The inspector puts the quantities in the scow, and he makes up the other.

Q. The one has no check upon the other?—A. It is not like having an independent man on the ground.

Q. Did you add up the total and compare the situ quantities?—A. I used to add the returns occasionnally, not everyone, I did not.

Q. What did you check it with?—A. That would not be much of a check.

Q. Your signing of the returns was a most formal matter?—A. I just signed them. I depended on the inspector and his oath, and you have to do just the same. Wherever there is scow measurement it will be that way.

Q. That is being done away with largely?—A. I think it is.

By Mr. Murphy:

Q. Are the inspectors' reports sworn to?—A. Yes, before a justice of the peace or a commissioner.

Br. BENNETT (*Simcoe*).—For how many years, Mr. Stewart?

The WITNESS.—About four or five years.

By the Chairman:

Q. Did you inaugurate that?—A. Yes, I did.

Mr. PRINGLE.—There has been some reflection made on Mr. Sing and I want to clear it up.

By Mr. Pringle:

Q. To make it absolutely clear, Mr. Sing, you can, approximately at least, by taking the work in situ and the returns for the work, get at approximately whether the work has been fairly done or not?—A. You mean before the work starts, from the estimates.

Q. Yes.—A. Oh, yes, but I was speaking of the scow measurement.

Q. But the inference there was that it was difficult to check, but you can, when the work is complete, by getting at the material in situ and allowing the proper expansion factor, and then adding the returns of the inspectors, tell pretty nearly whether the work has been correctly measured?—A. Yes.

Q. You have advocated for many years place measurement instead of scow measurement as the better and safer way to deal with this dredging?—A. Altogether.

Q. When you first went on the work the inspectors were not sworn—did not make sworn statement?—A. No.

Q. You inaugurated this as a safeguard?—A. I claim that.

Mr. BENNETT (*Simcoe*).—Dufresne claims to have inaugurated that.

The WITNESS.—He elaborated it.

By Mr. Pringle:

Q. You recommended it and Mr. Dufresne elaborated on it?—A. Yes.

Q. From that time to the present time these inspectors have to put in sworn statements?—A. Yes.

Q. Over and above the sworn statement of the inspector there also is attached the statement of the engineer or craneman?—A. He signs the returns.

Mr. BENNETT (*Simcoe*).—He does not swear to it.

By Mr. Pringle:

Q. He signs the returns, so that you have the craneman's returns, the inspector's returns; then you have a system by which a return has to be made showing the hours of actual dredging, the number of scows filled, the number of cubic yards of material in scows filled, the total number of cubic yards of material removed, the kind of material removed, the distance scows towed to deposit, the depth of water being made at low water or below zero, level of water above zero, width of cut at bottom, depth of face being removed, distance advanced per day. By checking that up you can see whether the inspector is committing a wrong, can't you?—A. Well, he prepares both of them. That is just what happened in Hacker's case. They did not agree.

Q. That is what I want to get at. That, you say, is not a satisfactory check.

The CHAIRMAN.—If the inspector was dishonest, he could say the dredge moved up so much every day to make it agree with the scow measurement.

By Mr. Pringle:

Q. If the inspector wants to perjure himself, he can say that the dredge moved so many feet in excess of what it did move. But the ultimate check between the estimated situ and the returns tells you very nearly if there is any gross wrong being perpetrated or not?—A. Yes.

Q. You say, after checking it over, in Victoria Harbour the work has been done well and honestly?—A. I think so; I think it has been.

Q. You can only give your opinion?—A. That is right.

Q. A great deal is being said about this going below depth. That has all been deducted from the contractors where they exceeded depth?—A. I believe so.

Q. And you reported to the Government that it should be deducted?—A. Yes.

Q. You say that has all been deducted?—A. Well, I believe so.

Q. You reported it at any rate?—A. Yes I did, in both cases.

Q. You reported to the Government that it should be deducted?—A. And the quantities that should be deducted.

By Mr. Bennett (East Simcoe):

Q. What I want to say is that any deduction that was made, was made from 25 feet, not from 22 feet..

By Mr. Pringle:

Q. Just explain that Mr. Sing.—A. Well, that is right, it is below extreme depth, below 25 feet.

Mr. STEWART, K.C.—The recommendation was to increase that depth below that, to 27 feet.

The CHAIRMAN.—But it was not done?—A. No, they have not adopted it yet.

By Mr. Pringle:

Q. Now so far as the inspectors are concerned have you had anything to do with their appointment?—A. No, I have not, any more than to write a letter saying that on the recommendation of the member so and so was appointed.

Q. I see, though when you found any inspector careless or irregular in any way you immediately notified him?—A. Yes.

Q. And did you notify the Department as well?—A. Well, it looks as if I did; I wrote them about Hacker, but his was mere negligence.

Mr. STEWART.—That is a letter to Hacker, and is not to the Department at all.

Q. Now then, to narrow it down as near as we can get it, during the progress of this work you devised every means that you thought would ensure the honest performance of it; you had the scows marked and you had the capacity?—A. Measured.

Q. You had the capacity measured?—A. Yes.

Q. And you also had the regulation brought in that all the inspectors had to make their returns under oath, and then further than that it was your suggestion that an engineer should be put right on the ground?—A. Yes, sir.

Q. So that there would be no possibility of wrongdoing?—A. Yes, I discussed that with Mr. Dufresne and he heartily concurred in my suggestion.

By Mr. Bennett (East Simcoe):

Q. When were these scows marked?—A. I believe they were marked two years ago, 1911 and 1912.

By Mr. Pringle:

Q. At any rate you originated the marking, and suggested first the inspectors being sworn and then went on to make other improvements in the system with a desire to protect the country?—A. Yes.

By Mr. Stewart:

Q. When were the scows marked?—A. I think in 1911.

Q. I understand that it may have been last year they were marked?—A. Yes, sir, it was 1911, and I think it was the latter part of 1911.

Q. Mr. Pringle said you had checked up the total of the returns by the inspectors, the situ quantities, and compared them with the statement of the quantities that you found?

MR. PRINGLE.—No, I did not.—A. No, no. I didn't.

Q. Mr. Pringle said he had checked up the returns of the scow measurement with the original measurements in situ, and had the situ quantities expanded, he allowed the expansion factor?—A. He asked me if that would not be a good check, as I understood it.

Q. What was done along that line?—A. I say it can be done.

Q. Have you done it?—A. Yes, in some instances.

Q. Have you made a complete comparison of the quantity in situ and the quantities returned by the inspectors?—A. No, no.

Q. You haven't?—A. I haven't done it, and he didn't ask me that; oh no.

Q. You say that this swearing of the returns began in 1908?—A. I forget the year, I cannot swear to that.

Q. Do you know that this very return in which Hacker makes this big error is sworn to by Hacker. Just look at it.

THE CHAIRMAN.—That might be.—A. Oh well, I went after him as quick as I could.

Q. Then it really does not amount to very much, this swearing to the return?—A. you get lots of men who make mistakes.

Witness retired.

Committee adjourned.

EVIDENCE

TAKEN BY THE

PUBLIC ACCOUNTS COMMITTEE

IN CONNECTION WITH

DIAMOND LIGHT AND HEATING CO.
OF CANADA, LTD., MONTREAL

No. 1—FEBRUARY 14, 1913



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY.

1913

MINUTES OF EVIDENCE

COMMITTEE ROOM No. 101,

HOUSE OF COMMONS,

FRIDAY, February 14, 1913.

The Select Standing Committee on Public Accounts met at 10.30 o'clock a.m., the Chairman, Mr. Middleboro, presiding.

The Committee proceeded to the further consideration of a payment of \$2,086.80 to Diamond Light & Heating Co. of Canada, Ltd., Montreal, in connection with lights, mantles, burners, &c., as set out at page P-96 of the Report of the Auditor General for the fiscal year ended March 31, 1907; a payment of \$11,174.85 to Diamond Light & Heating Co. of Canada, Ltd., Montreal, in connection with light installations, burners, &c., as set out at page O-117-18 of the Report of the Auditor General for the fiscal year ended March 31, 1908; a payment of \$54,050.01 to Diamond Light & Heating Co. of Canada, Ltd., Montreal, in connection with Arctic Oil, &c., as set out at page O-121-122 of the Report of the Auditor General for the fiscal year ended March 31, 1909; a payment of \$42,579.23 to Diamond Light & Heating Co. of Canada, Ltd., Montreal, in connection with bristle brushes, lights, tubing, as set out at page O-94 of the Report of the Auditor General for the fiscal year ended March 31, 1910; a payment of \$9,000 to Diamond Light & Heating Co. of Canada, Ltd., Montreal, in connection with diamond gas vapour installations, as set out at page N-92 of the Report of the Auditor General for the fiscal year ended March 31, 1911.

Mr. R.C. MILLER, Montreal, called, sworn and examined:

Mr. MILLER.—I might say, Mr. Chairman, that I have my counsel here and would like to have him represent me.

The CHAIRMAN.—This is just an examination by the Committee. We are not going to have any counsel.

Mr. CARVELL.—What is that, Mr. Chairman?

The CHAIRMAN.—This is just an examination by the Committee. We are not going to have counsel on either side in this case.

Mr. CARVELL.—Well, if the witness brings his counsel, would it not be reasonable to allow him to have advice from his counsel.

The CHAIRMAN.—We have gone along so far without counsel.

Mr. CARVELL.—We have been making a good many changes here lately.

The CHAIRMAN.—There was only one case where counsel was allowed on both sides.

Mr. CARVELL.—Well, I would like to have that as a ruling.

Mr. BENNETT.—It has been usual to allow counsel. They were allowed in the Collingwood Dry Dock case.

Mr. CARVELL.—I think it is only fair to allow this man counsel.

The CHAIRMAN.—I think you will find we shall never get through here if we do. There is plenty of good counsel on the other side of this committee room, if they want to cross-examine. The case is half way through already. This is simply an examination of the witness.

Mr. CARVELL.—I think this man should be allowed the advice of his counsel.

Mr. W. CHISHOLM (Antigonish).—It is a matter for the Committee to decide and I move that the witness be allowed to be represented by counsel.

Mr. CARVELL.—I second that.

The CHAIRMAN.—It has been moved and seconded that witness be allowed to have counsel in this case. Is it the pleasure of the Committee to adopt the motion?

Motion carried.

The CHAIRMAN.—What is the name of counsel?

Mr. MILLER.— A. E. Harvey, K.C.

By Mr. Meighen:

Q. Mr. Miller, you were president for some time of the Diamond Light & Heating Company?—A. I was.

Q. Between what dates?—A. 1900 and 1911.

Q. That is, you were president of the company from its inauguration up to June of 1911?—A. No, I was not president for the first year, but subsequent to that year.

Q. And commencing with 1900?—A. Yes, commencing with 1900.

Q. Commencing then with 1900, you remained president until June, 1911?—A. Yes.

Q. Since June of 1911, you have held no office in the company?—A. No office.

Q. I understand that James R. Bain was secretary of the company during your presidency?—A. Well, he was not secretary during the first part of my presidency, but the majority of the time he was.

Q. He was from almost the first of your presidency?—A. Yes.

Q. And up till June of 1911?—A. Yes.

Q. This Committee summoned Mr. Bain, who gave evidence before the Committee on the 27th and 30th of March last year. They also summoned you, but you did not appear. Will you tell the Committee why?—A. It was owing to the condition of my health. I had been very ill for some time previous, and I consulted my physician when the summons came. He said if I attended the Committee, or any meeting, I would certainly have a breakdown and it would take months to recover.

Q. You made no report to the Committee whatever?—A. I did not, there was no time.

Q. You utterly ignored the summons of this Committee?—A. Well, I did nothing.

Q. Evidence was given there by Mr. Bain that the business of this Diamond Light & Heating Company was almost wholly the supplying of lighthouse apparatus for the Dominion Government?—A. Latterly, it was that.

Q. That is, since the beginning of 1907?—A. Yes, about then.

Q. The evidence given showed that from the commencement of the company's existence up until 1907, the total business done altogether was only between \$18,000 and \$20,000. Is that correct?—A. I believe that to be correct.

Q. And commencing with March 31, 1907, and up until the close of your presidency the company did a business with the Government of some \$117,000?—A. Well, I could not say whether that is correct or not, but I believe it to be correct.

Q. You believe it to be correct?—A. Yes.

Q. The evidence showed, Mr. Miller, that a resolution had been passed by the directors of the Diamond Light & Heating Company, in the month of June, I think it was, of 1907, authorizing you, as president, to make expenditures of money to secure business. Do you recall that resolution?—A. Yes.

Q. Have you the books of the company with you?—A. No.

Q. They would not now be in your possession?—A. No.

Q. Do you recall the resolution?—A. I do.

Q. Was that resolution passed at your request?—A. Yes.

Q. I understand you represented to the directors that it took a lot of money to secure this amount of business.—A. I represented that it would be necessary to use monies in order to secure business.

Q. Did you explain why it would require the expenditure of money to secure the business you were after?—A. No, not in detail to any extent. I do not remember exactly what explanation they were given.

Q. What explanation did you give in general terms?—A. I could not say. I do not remember what explanation I gave.

Q. You simply told the directors it took money to get this business?—A. I could not remember what I did say.

Q. Can you remember anything else than that?—A. No, I do not think there was any explanation given in detail.

Q. You simply said it took money to get this business, and, in pursuance of that request, they passed a resolution authorizing you to expend money to get it?—A. Yes; to use what money I deemed advisable in order to secure business.

Q. That was in June, 1907, and it was between the date of that resolution and the close of your presidency that the business amounted to the figure named, \$117,000. Now, Mr. Miller will you tell us what monies the Company placed in your hands to secure business between those dates?—A. The total amount was \$41,026.

Q. Mr. Bain gave the total amount, and produced cheques making it some \$42,000.—A. He was not correct.

Q. Have you checked the cheques over since with his evidence?—A. No, but I may state that this matter is in the hands of the courts and the amount was specified in the writ against me for an accounting, and it was checked over at that time and that is why I know the amount.

Q. Do you mean to say it was checked over on sworn evidence in court?—A. On sworn evidence, and I corroborated it at the Company's office.

Q. And the amount was \$41,026?—A. Yes.

Q. So that money was placed in your hands between June, 1907, and June, 1911, in order to get some \$117,000 worth of Government business?—A. In order to get what business we could. I could not state the amount.

Q. You have stated the amount as \$117,000?—A. I said I believed it was that.

Q. That is the evidence by Mr. Bain which you believe to be correct?—A. I believe that to be correct.

Q. And beyond that the business of your Company, according to Mr. Bain's evidence, only amounted to about \$2,000?—A. It was not very much. I could not say as to that.

Q. So that it amounts to this: that you were paid \$41,026 by the Diamond Light and Heating Co. in order to secure \$117,000 odd of Government business?—A. That money was drawn by me during those years.

Q. For the purpose of securing that business?—A. For the general purpose of getting the business.

Q. Your travelling expenses and other expenses were paid besides that?—A. Yes.

Q. And you gave vouchers for them?—A. Yes.

Q. But for this money that you spent to get business you gave no vouchers?—A. I initialled only on the cash book of the Company.

Q. All you did was initial for the money on the cash book when it was paid by the secretary?—A. Yes

Q. My next question is this: Will you give the Committee a statement of where you paid that money?—A. I would beg to state that, owing to litigation at the present time going on in the courts in Montreal, and two cases which have yet to come up on which the evidence has not been given, I would respectfully request that I be not forced to answer that question, because I think it would be prejudicial to my case in court to give these details at the present time.

Mr. CARVEL.—Mr. Chairman, have we the right to ask if the witness paid this to any Government official?

The CHAIRMAN.—Of course, we have the right.

By Mr. Meighen:

Q. I have asked you, Mr. Miller, to give a detailed statement of where you spent this money voted by the Company and placed in your hands. Your answer is that, on account of litigation in Montreal, you ask the Committee to excuse you. Without pressing it further for a moment—the litigation in Montreal has been under way for over a year?—A. Yes, one part of it has, and we are awaiting the appeal on that; but there are two other cases in connection with it that have not yet come up.

Q. Have you given such a statement to any of the courts in Montreal or elsewhere?—A. No, I have not. That is what the whole case is about.

Mr. MEIGHEN.—I submit to the Chair that the witness must be obliged to answer, that this Committee is not bound to await the termination of any action.

By the Chairman:

Q. I understand that you have refused to give that in the court?—A. I may state that is what the case in the court is for.

Q. You have refused to answer that question in the court there?—A. The writ was against me for that. Perhaps my counsel might explain.

Mr. HARVEY.—There are three cases in the courts in Montreal; one is in appeal. There are two other cases which have not yet reached the enquete stage, and these are expected to come up in a month or so whenever they can be reached.

The CHAIRMAN.—Just explain what the three cases are. What was the first case?

Mr. HARVEY.—The first was for an accounting of this money; that case is in appeal now.

The CHAIRMAN.—What was the judgment?

Mr. HARVEY.—The judgment in the first court maintained a part of the action.

The CHAIRMAN.—Did the judgment uphold the right to an accounting for \$41,026?

Mr. HARVEY.—That is being upheld. There is another part of the case in which an amount of rental of office was asked. That is also being appealed.

Mr. CARVELL.—Has that been tried out?

Mr. HARVEY.—Yes, that part of it has.

The CHAIRMAN.—What is the other case?

Mr. HARVEY.—Two other cases that arose afterwards in connection with the same thing.

The CHAIRMAN.—Have you any objection to telling the Committee what they are?

Mr. HARVEY.—The other two cases are——

The CHAIRMAN.—You do not need to inform the Committee unless you wish.

Mr. HARVEY.—I would prefer not to go into these any further. We have nothing to conceal.

The CHAIRMAN.—You seemed to be as anxious not to give it there as here.

Mr. HARVEY.—We do not want to tell things we do not think the public have a right to know. Certainly before the evidence is made in the case down there we ought to be protected up here by not giving evidence here that could be used against us in any way.

Mr. MEIGHEN.—This witness has been sued for an accounting for the very monies we are now seeking to have an accounting for in the public interest. The suit went against him. The court in Montreal gave judgment that he must account to this

company. He chooses to appeal that action. Now, I presume that appeal simply goes to the appellant court on the evidence of the trial court, so that any evidence given here could not possibly come before the judges in appeal.

Mr. HARVEY.—Not in that case.

Mr. MEIGHEN.—Not in that case? Well, that is the only case we are interested in. We cannot be expected to wait here until Mr. Miller gets through all the suits that are in existence before we can proceed with public business.

Mr. HARVEY.—My objection is, if we make a statement here such as my learned friend has asked, we will prejudice our rights in the two cases that are coming before the Courts. It seems to me it is not in the public interest that should be done.

Mr. MEIGHEN.—You do not even tell us the nature of the cases. The only case as to which we have any need of evidence, is in appeal, and this evidence could not possibly be used against Mr. Miller in that case.

Mr. HARVEY.—The questions in the cases arose in regard to the seizures that were made by the plaintiffs under the first judgment, notwithstanding the fact that there was an appeal, and the defences are such that they will bring up the whole merits of the matter again.

The CHAIRMAN.—In the nature of an inter-pleader.

Mr. HARVEY.—The pleadings are of such a nature, the issues now are of such a nature, that the whole merits of the case can be brought up again, and anything that is stated here can certainly be used by the other party, and they have the advantage of knowing about it before the evidence comes up. That is the reason that I think, in justice to my client, the Committee should not go into anything of that kind that would prejudice his rights in the cases that are coming before the Courts of Montreal.

Mr. MEIGHEN.—We can eliminate the first case altogether. The evidence here could not be used to the prejudice of Mr. Miller, even assuming we have any right to protect any witness for the benefit of his own litigation. In the next place, the other cases are simply cases arising out of seizures made under the first judgment while the appeal was pending. We are assured by Counsel for Mr. Miller, that the seizures and the questions arising out of them are such that the evidence here might be reviewed. I do submit, Mr. Chairman, that it is asking too much of this Committee to wait for the termination of all incidental cases, or appeals therefrom, before we proceed to public business, especially when our summons was ignored a year ago.

Mr. CARVELL.—I think I am somewhat inclined to agree with my friend Mr. Meighen on the general principle that he lays down. But it seems to me there is another branch of this case that we are here to investigate, and that is a matter in the public interest. We have spent a good deal of time on this case already, and we have had a lot of evidence which I presume is fresh in the minds of most of the members of this Committee, as to the character of the supplies furnished by this Company, and the general condition of the business. It seems to me that regardless of whether this man has litigation in Montreal or not, he should be asked, and should be compelled, if necessary, to give any evidence tending to incriminate in any way the Department, or any officer of the Department, or any member of the Senate or House of Commons. I think, in so far as the public is concerned, we have a right to ask this witness any questions relating to a matter of that kind. But when it becomes purely a matter of his own private affairs, it does not seem to me that we should proceed to that length; it is a matter to be investigated in the Courts. That is the principle I feel like laying down. I do not know how the matter presents itself to other members of the Committee, but it seems to me that is the ground upon which we should proceed. I could not go so far as to say that because there is litigation in progress in the Courts in Montreal, that we have not a right to go into the matter at all, and that investigation along the lines I have indicated must lay over until that litigation is settled.

Mr. MEIGHEN.—Your position is that the litigation in the Courts in Montreal does not effect us, but the whole province of this Committee is to inquire whether or not public servants get money.

Mr. CARVELL.—Public servants or public men, or whether there has been anything wrong in connection with obtaining this business.

Mr. MEIGHEN.—That is, the Committee has not the general power to inquire into what Miller did with the money?

Mr. CARVELL.—That is my position.

Mr. MEIGHEN.—Regardless of litigation.

Mr. CARVELL.—That is the ground. Of course the Committee has the power to say that this man must go on and tell us what he did with the money in question. The Committee has the powers of a Royal Commission, but those powers have got to be exercised with common sense and judgment.

Mr. MEIGHEN.—I would like to point out to Mr. Carvell that he took exactly the opposite position on the 30th March, 1912, when this matter was up before. I read the following from Mr. Carvell's statement as it appears in the printed record of that date. (Reads).

‘Mr. CARVELL.—I do not think this witness has come here to give evidence as to reasons. We are here inquiring about what became of this money, and surely my learned friend is not going to ask this Committee to allow him to give evidence as to what took place in the meeting.’

That is exactly what I am asking now.

Mr. CARVELL.—I am in the same position today. I think that observation of mine was made in connection with what took place at the meeting of the Directors of this Company. I have not read the evidence for nearly a year, but I think the matter relates to what took place between the Directors themselves.

Mr. MEIGHEN.—Yes, that was in reference to Mr. Morrison's evidence.

Mr. CARVELL.—My contention was that it was a matter between those gentlemen. I take the same position now, that it is a matter of their private affairs.

Mr. MEIGHEN.—We are here inquiring what became of this money. That is my question.

The CHAIRMAN.—I do not think we can limit ourselves in the way Mr. Carvell proposes. The Committee will easily see what it would amount to. If we simply allow the question to be put to the witness, ‘Did you give that money to any Member of Parliament, or to any officer of the Government’ and he says ‘No,’ that ends the whole thing. If we ask the witness to whom he paid the money we can then call the persons concerned and ascertain whether the statement is true. We cannot limit the class of persons who may have had some influence in getting these contracts from the Government. It is not always Members of Parliament, it is not always officers of the Government, it may be somebody altogether outside of these classes who has some particular influence of which we are not aware. If we could get the names of the persons to whom this money was paid, then we can use our own judgment as to whether or not these persons had any influence.

Mr. CARVELL.—It is going into a man's private affairs.

The CHAIRMAN.—Not at all. The witness himself has deliberately said that he paid \$41,000 in order to get \$117,000 worth of business from the Government. That statements indicates a condition of affairs that is improper and radically wrong, and we are entitled to go into it.

Mr. MEIGHEN.—On the same occasion Mr. Carvell said: (Reads)

‘We have not any objection whatever to getting all the evidence you can bring, or all the witnesses you can bring, who know about the paying of this money.’

Mr. CARVELL.—That is right. I still maintain that position.

Mr. MEIGHEN.—Now we have the witness here who knows what became of the money.

By Mr. Meighen:

Q. Mr. Miller, I will ask you again to tell us to whom you paid that money?—

A. Well, gentlemen, I cannot do any more than what I said before, that I do not feel like giving that information at the present time, as I feel that I must protect myself in connection with my case that is in the hands of the Courts.

Q. You refuse to answer?—A. Well, I have given my reason.

Mr. MEIGHEN.—It is for the Committee to take the next step.

Mr. McKENZIE.—The Committee is entitled to know upon what grounds the witness bases his refusal to answer.

The CHAIRMAN.—He has given that.

Mr. MEIGHEN.—He has given his grounds.

Mr. McKENZIE.—I have not heard them.

Mr. MEIGHEN.—You were not in at the time.

Mr. McKENZIE.—I was in when the witness said he could not add anything to what he gave before.

Mr. MEIGHEN.—Well, he gave his grounds before.

Mr. McKENZIE.—If he is basing his refusal to answer on the ground that he may be rendering himself liable to criminal prosecution, he has a perfect right to refuse.

The CHAIRMAN.—That would be a beautiful ground here.

Mr. MEIGHEN.—I move, Mr. Chairman, that a copy of the summons and of the return, and a copy of the evidence of Mr. R. G. Miller, taken to-day, and of the statement made by his Counsel, be reported for the information of the House.

The CHAIRMAN.—You have heard the motion, gentlemen.

Mr. CHISHOLM (Antigonish).—Before that motion is put I think it would be well that the full statement which the witness sought to give, should be put on record.

The CHAIRMAN.—It is on record.

Mr. CHISHOLM (Antigonish).—Some member of the Committee suggested that the witness was prepared to go as far as to state that he did not pay over any of this money to any Member of Parliament, any Senator, or any official of the Department in which this transaction took place, or to any public man or to any public official.

The CHAIRMAN.—That is all on the record.

Mr. CHISHOLM (Antigonish).—I think that ought to be down for the guidance of the House.

The CHAIRMAN.—That is down on the record.

Mr. CHISHOLM (Antigonish).—I do not think it is down. I think my friend, Mr. Meighen, interrupted when the witness was about to make the statement. If the witness is prepared to make that statement he should be allowed to have it go on record so that the House would know what it has to deal with. The House should know all the facts of the case and not merely a part of them.

Mr. MEIGHEN.—I do not think that the mere fact of my making this motion shuts any member out from putting any question he may desire.

Mr. CARVELL.—That is right.

The CHAIRMAN.—You have the right to go on and cross-examine if you want to.

Mr. CARVELL.—If Mr. Harvey wants to ask any questions he can do so now.

Mr. MEIGHEN.—It seems to me that the motion is the first thing to be disposed of, after that we can permit Mr. Harvey to put any questions he chooses.

Mr. CARVELL.—Mr. Harvey rose for the purpose of making a statement before Mr. Meighen put this motion. I presume if Mr. Harvey wants to ask a question the Committee will allow him to do so.

Mr. MEIGHEN.—He can do that after the motion has been put.

Mr. CARVELL.—He desires to do so, I think, before the motion is put.

Mr. MEIGHEN.—Very well, I will defer the motion if you want it.

The CHAIRMAN.—He can speak after the motion is put if he desires.

Mr. CARVELL.—I do not think the question was asked this witness whether he had paid this money to certain persons. I think that was a suggestion of my own, that if he were willing to go that far and state that he had not paid it to any Member of Parliament or official of the department or any public man we ought not to ask him to go farther.

WITNESS.—I would respectfully request, gentlemen——

Mr. MEIGHEN.—I do not want to submit to the House a lot of evidence that has no bearing on the question. The witness has been asked a question and the Chairman has ruled, and I think properly held, that the question is rightly asked and that the witness should answer but he has refused to do so; that is all the House is interested in at the present time. His statement may be of interest later on, but at present it is not of interest in this connection.

WITNESS.—Can I ask the privilege of making a statement in connection with my answer?

The CHAIRMAN.—I think Mr. Meighen's position is a good one, he does not want to send a lot of irrelevant evidence to the House; I have made my ruling, and if that ruling is wrong the House will correct me, but I have ruled that you are obliged to answer the question, and you have refused to do so.

Mr. CARVELL.—I will not deny the correctness of your ruling as a strict matter of procedure, but we will assume that this motion goes to the House and the House asks whether there is any other question in connection with this or any other grounds upon which the witness refuses to answer; surely the House ought to be in possession of all the fact in connection with the refusal of the witness to answer, as well as this portion of it.

Mr. MEIGHEN.—Everything bearing on the point.

Mr. CARVELL.—Everything bearing on the point, and surely counsel for the witness should have the right, even if this motion is put first, to ask his client any questions he may desire in order that the whole matter may be on record. This is simply a question of whether we are going to be fair or unfair.

The CHAIRMAN.—He can put the ground on which the witness refuses to answer, that is all, and that has been given.

Mr. MEIGHEN.—He should be allowed to answer any questions bearing on the point of the motion.

Mr. HARVEY.—Let me say this, Mr. Meighen has conducted this examination up to the present time, he leads swiftly up to a question which he asked and which the witness refused to answer; then he immediately brings in this notice of motion before anybody has a chance to put any questions at all. It seems to me that, in all fairness to my client and myself, after Mr. Meighen has finished his examination of the witness we should have the right to put a few questions ourselves; we could not do so whilst he was asking questions. When he lead up to this point and immediately on the witness' refusal to answer makes this motion he does not give us an opportunity of doing that at all. it really places Mr. Miller in a very unfair position. Surely there can be no harm in the Chairman allowing this question to be put to the witness regarding the payment of any money to any Government official or Member of Parliament, or something to that effect.

Mr. MEIGHEN.—There can be no objection to your putting that question, but I want that motion put.

Mr. HARVEY.—But if the motion is carried it closes that part of it.

Mr. MEIGHEN.—No, it does not close it.

The CHAIRMAN.—That does not necessarily close the examination.

Mr. HARVEY.—It closes it as far as this Committee is concerned, I understand.

The CHAIRMAN.—I think it is only fair you should have the right to state the grounds upon which you refuse to answer the question, but I understand the witness has already given those grounds and that he has said that he has not paid that money to any Government official or Member of Parliament. b,

Mr. MEIGHEN.—No, the grounds advanced by the witness are that it is under litigation.

Mr. HARVEY.—The witness has not said that he did not pay the money.

Mr. GERMAN.—The witness did not make that statement.

The CHAIRMAN.—The witness admits, Mr. Graham, that some \$41,000 odd had been paid for securing Government business to the extent of \$117,000, then we ask him to whom those payments were made and he refused to say—

Mr. GERMAN.—On the advice of his counsel, I suppose.

The CHAIRMAN.—I suppose so, on the ground that litigation is pending. The position is that there has been a case brought in the Quebec courts and that case was appealed. Now what Mr. Meighen says is that the case being appealed would be heard on evidence already given, and that any evidence given here would not affect that in any way.

Mr. HARVEY.—But there are two other cases.

The CHAIRMAN.—The two other cases are supposed to arise out of this case by way of interpleader.

Mr. HARVEY.—And in those cases the whole evidence can be gone into.

The CHAIRMAN.—I rule that this Committee which is all powerful is not to be interfered with by any actions in any court, because if that were allowed all that would have to be done in any case where it was desired to block enquiry would be for the man interested to get some one to issue a writ against him and then we would be without jurisdiction, so I rule that the mere fact that there is an action pending in any court does not interfere with the jurisdiction of this Committee acting under the authority of Parliament.

Mr. CARVELL.—One cannot object to that general ruling, but the question is whether this is not an arbitrary proceeding.

The CHAIRMAN.—The motion is that a copy of the summons served in this matter, a copy of the evidence given by Mr. Miller at this hearing, and a copy of the motion by Mr. Meighen be submitted for the information of the House.

Mr. HARVEY.—Before putting that, I do not want to interfere too much or to take up your time, but is it not the fact that when that is reported to the House only the evidence up to this point is reported with it, and that is the unfairness of which I complain, because that excludes Mr. Miller's statement which he desires to make; that will not go before the House with the other evidence.

Mr. MEIGHEN.—Any further statements you wish to make giving the reason why he should not answer that question I for one am prepared to listen to, but anything further than that I object to. If you have any further statement why he does not answer that question, all right.

Mr. GERMAN.—If he states that it may tend to criminate him, or if the Court thinks it is a question that if answered may not criminate him, or he might say that on the advice of counsel he refuses to answer because it may tend to criminate him,

or if he says, "I have reasons which I wish to explain to the Committee why I should not answer," he has the right to say why he refuses to answer the question, and that should go before the House, but if the House says eventually, after hearing the reasons for refusal, that he must answer, why, of course, he must.

The CHAIRMAN.—You can. Mr. Harvey, as his counsel, if you choose, give such reasons as you think proper, why he should not answer the question, or he might himself give such reasons as he thinks sufficient to justify him in not answering this question, so that you can get the benefit of that explanation.

Mr. HARVEY.—Mr. Miller started to make a statement right at the time this question was asked, or when giving his reasons for not giving an answer to the question, but he was stopped. I ask that he be allowed to make that statement now.

The CHAIRMAN.—(Mr. Miller, you can make a statement now if you like, giving any further reasons why you refuse to answer that question, but confine yourself strictly to that.

Mr. MILLER.—Well, Mr. Chairman, I started to give those reasons sometime ago and you told me to sit down. In connection with the litigation now on in Montreal, my reason—or rather an additional reason—for not giving the destination of that money is this: Owing to the fact that I never paid a dollar of that money to any Member of Parliament, to any Senator or any official of the Government, I therefore, in addition to my other reasons, think it is a matter of my own private affairs between the company and myself; and as we are at present in litigation in the Courts I hold that it would prejudice my case in the Courts.

By Mr. German:

Q. Have you been instructed by counsel that your answering such a question will prejudice your action in the Courts?—A. I have.

The CHAIRMAN.—Those in favour of the resolution of Mr. Meighen kindly signify in the usual way.

Motion carried.

Witness retired.

Committee adjourned.



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